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NEWS SUMMARY

GENERAL

... die in ...nai ...ilitary ...up

...ary group, calling itself ...tional Reform Council, ...ized power in Thailand ...ng bloody clashes ...n police and Left-wing ...s at a Bangkok univer... which 35 people were ... and many more injured. ...adio Thailand broadcast ...d that the coup took place ...stall a "Communist plot ... by the Vietnamese." It ...imed to preserve the ...hy.

...land's new rulers last ...uspended the constitution, ... political parties and ...d martial law. Ports, air... and telecommunications ...ed to be working ...lly.

...coup ends almost three ... of an experiment in demo... following the overthrow on ...r 13, 1973, of Field ...l Thanom Kittikachorn's ... Back Page. Feature

...th to attend ...desia talks

...nference, which it is hoped ...ead to an interim African ...ity Government in ...sia, is likely to be held in ...a towards the end of the ... Mr. Ian Smith, ...sian Prime Ministeter, said ...day that he would attend ...conference despite conflict ...what is to be negotiated. ... Page. In South Africa ...l bombs were hurled at the ... of the Roman Catholic ...bishop of Durban.

...ht gets restive ...r Spain terror

...nst a background of ...ands from the Spanish Right ... a tougher line against ter... ...ts and shouts of "Govern... ...t out, Army to power," and ...anco, Franco," arrests in the ...ue region rose well above ...as the hunt continued for ...day's killers of a member of ... Council of the Realm, three ...emen and a chauffeur in San ...stian. Page 4.

...rians likely to ...rt new attack

...wing and Right-wing forces ...ebanon said yesterday that ... anticipate a new Syrian ...sive against Palestinian and ...wing mountain outposts east ...eirut. The attack is expected ...re the projected Arab sum... on October 18. Page 5. In ...o recently-arrived British ...gfire anti-tank missiles and ...et MiG-23 jets were displayed ... military parade.

...lgarian fish ...ul seized

Irish authorities yesterday ...n stripping the Bulgarian ...factory trawler Amelia is ... of its huge haul of fish. ... its fishing gear after the ...artans failed to sign a bond ...e value of £102,040 or lodge ... amount in cash to obtain ...se of fish and gear. The ...lia's skipper was fined £100 ... week for fishing inside Irish ...s.

...rder in jail

...murder investigation was ...ed yesterday at Wakefield's ... security prison after a ...er serving six years was ...ered to death. The jail holds ... prisoners, more than 200 of ...m are serving life sentences.

...efly . . .

...nclothes police in France are ... join in to-day's one-day ...ral strike in protest against ...nter-inflation measures. Page ...

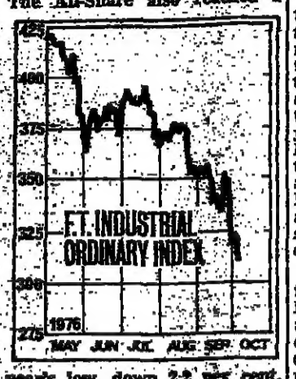
... of a missing three-year-old ...lington, Somerset, girl has ... found in a wood four miles ... her home. A man is help... police with their inquiries.

... Office is to discontinue ...ity postage stamps. Last ... only 7m. stamps were sold ... of 30m. printed.

BUSINESS

Gilts and equities at low for year

● EQUITIES fell. The FT 30-share index lost 8.7 to 310.6, a new closing low for the year. The All-Share also reached a year's low, down 2.2 per cent. at 130.74. The property index fell 5.9 per cent. to 119.32.



● GILTS were affected by fears of a rise in MLR. Losses extended to ¾ while the Government Securities index lost 0.36 to a low for the year of 58.80.

● STERLING fell 125c to $1.6520; its weighted depreciation widened to 45.5 (44.7) per cent. The dollar's widened to 2.92 (2.90).

● GOLD rose $4 to $134.

● WALL STREET was 12.39 down at 954.37 near the close.

Managers' tax cuts ruled out

● MANAGERS in industry expect no major relief in marginal taxation in the near future, says Mr. James Callaghan. Back Page.

● LOCAL AUTHORITY manual workers in three unions agreed to a pay increase strictly in line with the Government's 4½ per cent. pay policy. Page 11

● UAW, the U.S. union, and Ford Motor have reached a tentative agreement which will end the three-week strike if ratified by the union's members. Back Page.

● SCHEDULED airlines on the North Atlantic route lost $526m. between them last year, according to IATA. Page 27. President of Japan Airlines argued that the civil aviation agreement with the U.S. should be cancelled if it is not adjusted in Japan's favour. Page 7. French and British air Ministers are to discuss next month the possible long-term development of a second-generation supersonic aircraft. Page 2.

● FORD MOTOR strikers at Dagenham decided to continue their action. Page 11. Renault results in the first nine months of 1976 have beaten all previous records, said the chairman. Page 26. Mitsubishi Motor is sending a mission to Europe to discuss the possibility of manufacturing their cars at the plants of Chrysler's European affiliates. Page 7. VW's schedule for beginning U.S. manufacture has been delayed by six months till the spring of 1978. Page 6

● EXXON appears to remain uneasy over State participation terms in U.K. offshore oil development. Page 8. Mr. David Steel, BP chairman, said the U.K.'s offshore industry should regard the North Sea as a springboard for selling highly developed skills abroad. Page 11. Gulf Oil may spend as much as $10bn. in a five-year investment programme. Page 26

COMPANIES

● THOMSON ORGANISATION first-half pre-tax profit rose to £5.31m. (£2.8m.) on turnover 23 per cent. up at £123.1m. Page 23 and Lex

● JOHNSON and Firth Brown pre-tax profit for the year to June 30 fell to £8.1m. (£8.29m.). Page 23 and Lex.

...IEF PRICE CHANGES YESTERDAY

(...ices in pence unless otherwise indicated)

RISES

...MO/SCOT "OPS"	272	+ 12
...lo Amer. Gold	£13¼	+ ¼
...tebeest	800	+ 50
...dfontein Estates	£18	+ ¾
Piran	38	+ 5

FALLS

...asury 9½pc 1981	£87¼	− ¼
...asury 14½pc '94	£94¼	− ¼
...x Props.	92	− 8
...keley Hambro	70	− 7
...ater	152	− 7
...al Pulp	76	− 4
...enhams	58	− 4
La Rue	200	− 11
...	189	− 5
...ns	257	− 9
...rs Gross	32	− 5
Portland Estates	174	− 12
GUS "A"	139	− 9
Hammerson "A"	260	− 13
Haslemere	137	− 8
Int. Paint	255	− 25
Lucas Inds.	153	− 5
Lyons (J.) "A"	46	− 4
Nat. West	195	− 7
Northern Foods	55	− 5
Petrocon	62	− 6
Prop. and Rev. "A"	133	− 12
Rank Org.	127	− 10
Rockware	66	− 6
Sainsbury (J.)	113	− 5
Tate and Lyle	216	− 7
Taylor Woodrow	218	− 9
Thorn Elect.	156	− 6
Tube Invs.	266	− 8
Unilever	366	− 16
Union Discount	260	− 15
United Newspapers	168	− 7
Weyburn Eng.	286	− 14
BP	603	− 7
Metals Expln.	50	− 6

Heath in conference gesture to restore Conservative unity

BY RICHARD EVANS, LOBBY EDITOR IN BRIGHTON

In a dramatic gesture of reconciliation Mr. Edward Heath yesterday brought nearer the prospect of a united Conservative Party fighting the next general election campaign under the leadership of Mrs. Margaret Thatcher.

Despite an enthusiastic reception and standing ovation for the former leader from 4,000 representatives at the party conference, it was clear last night that the complete reunification of the Heath and Thatcher factions within the Tory party has yet to be achieved. But Mr. Heath has done much to bridge the gulf that threatened to be a major electoral handicap and Mrs. Thatcher is expected to acknowledge this when she speaks at the end of the conference to-morrow.

After considerable pressure from his close associates, Mr. Heath took their advice and attended the conference with two objects in mind: to give a public declaration of support for the new leader who deposed him 20 months ago; and to warn the nation of the extreme economic, political and moral crisis it now faces.

His general message, delivered with measured restraint by an elder statesman rather than by a party politician, was designed to send a chill through a nation he believed had still not grasped the dangers.

"I am not sure that the people of this country yet realise that we have come to the end of the present road. The crunch so long awaited, so often discussed is now upon us," he declared.

Time was very short and the action needed to deal with the situation was urgent. He did not spell out what the action should be, except that maintenance of the value of sterling should be top priority, but it would inevitably be "difficult and very unpleasant."

It was the long-awaited comment about his relationship with the new party leader that the packed hall was so anxious to hear however, and the audience was not disappointed.

Reconciliation

Tory Governments, he said, had never shirked difficult decisions and he continued quietly: "I have no doubt that we would not flinch in the future in taking difficult decisions which are in the national interest. I have complete confidence that they will be taken by Mrs. Thatcher and by her colleagues on the platform."

It was his only direct reference to Mrs. Thatcher, but it was enough for an audience yearning for reconciliation. There was a great burst of cheering with Mrs. Thatcher smiling and joining in the applause enthusiastically.

At the end of the 20-minute speech, Mrs. Thatcher, clearly delighted, led the standing ovation while Mr. Heath circled from the rostrum back to the platform. It had all the appearance of a day of triumph for the Tories.

However, the reaction of MPs later was mixed, and there remains a question mark over what the reconciliation will mean in practical terms.

There is absolutely no sign that Mr. Heath wishes to enter the "shadow" Cabinet although there is an assumption that he will campaign vigorously for the return of a Conservative Government and would probably join a cabinet under Mrs. Thatcher.

Some MPs who sought his removal as party leader after the two election defeats in 1974 thought Mr. Heath had been less than generous towards Mrs. Thatcher, and they detected in his warning to the nation over the heads of the conference a continued attraction for the idea of a "National" Government.

In support of this they pointed out that Mr. Heath went out of his way to praise the role of trade union leaders in recent months in restricting voluntarily the level of wage demands. "They should take credit for what they have done in income restraint and as a party I hope we will be generous and give it to them," Mr. Heath said.

Conference report, Page 10

Tory bid to bury the union hatchet

By Christian Tyler in Brighton

CONSERVATIVE Party leaders yesterday set out to bury the suspicion that their return to power would lead to renewed confrontation with the unions and the disappearance of TUC support on wage restraint. Many Conservatives feel that this suspicion is the biggest single obstacle to victory in the next General Election.

The whole Conservative strategy towards the unions is to prove that they are people with whom the TUC can deal. The party is going to great lengths to refrain from any kind of commitment that would ruffle union feathers, however vociferous the party in the country may be about the need to control union power and influence in economic management.

Setting out the Conservatives' revamped industrial relations philosophy at the party conference, Mr. James Prior, chief Employment spokesman, said the Tories did not want to try to match Labour's social contract intimacy with the TUC. It was bad for Parliament, for the country and ultimately for the unions themselves.

At the same time, he challenged union leaders to say that they would "co-operate with the Government democratically elected." Having made it clear that the social contract would go—it had been disastrous for union members and was too expensive in public spending terms—Mr. Prior did not clearly answer his own questions about what would be put in its place, although it was the question that, as he put it, was on everybody's lips.

Some Tories believe that the social contract will live on, albeit under another name, despite the condemnation poured on it in two days of public speeches. The Conservatives, they say, will talk to other groups, too, but realise that it is

Continued on Back Page

Leyland day shift accepts Mini plans

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN OVERWHELMING vote in favour of productivity improvements which Leyland cars have demanded for the proposed new Mini is expected from the Longbridge workforce.

Mr. Derek Robinson, the works convenor, said last night that the 13,000-strong day shift had voted 4—1 in favour of accepting the productivity package.

Sections of the plant had rejected the proposals. But he was confident they would accept a majority decision and co-operate.

Voting by the 5,000 night workers continued through the night and the final result will be announced to-day.

Support on this scale should enable the British Leyland Board to put its proposals for the Mini programme to the National Enterprise Board for consideration to-morrow.

The NEB insists upon prior productivity commitments before considering new investment projects.

The workers' response follows a warning by Mr. Derek Whittaker, managing director of Leyland Cars, that the axeing of the new Mini would mean the possible closure of Longbridge and Cowley and the loss of up to 100,000 jobs.

Elaborating on this warning in an impromptu Press conference at the Paris Motor Show yesterday, Mr. Whittaker stressed that timing was now critical on the Mini project. He appeared to be taking a softer line on the consequences of a failure to reach agreement with the unions by this evening (Thurs.), although he emphasised that delays at this stage could put back the introduction of the Mini by several months.

If the plan did not go before the NEB to-morrow, it would be another month before it could be discussed.

Leyland has refused to outline publicly the productivity requirements that will be placed on the workforce as the information is regarded as commercially valuable.

Mr. Robinson said the joint shop stewards' committee had recommended the men to accept the proposals which had been worked out with management under the joint consultation procedure.

Production of the new Mini would involve advanced technology and fundamental changes in methods. Any changes would be negotiated and agreed first with the unions.

Some changes could only be implemented if additional payments were made, but Mr. Robinson said these were longer-term proposals which would not bring the company into conflict with present wage restraint policies.

In addition to the commitments on the new Mini, the unions have also agreed to investigate ways of improving productivity in the existing plant.

"While problems will still arise, I am confident that we will be able to solve them on a negotiated basis and by agreement," Mr. Robinson maintained.

The workforce wanted to co-operate to ensure that Longbridge had a productive and secure future.

Editorial comment Page 20

IMPORTERS captured 43.5 per cent. of the British car market last month, underlining the damaging effects of the continuing production and industrial relations problems in the British car industry.

Imports have now reached a cumulative 36.8 per cent. share of the market so far this year—a rise of 3 per cent. on the same period of 1975. Import sales have grown in volume terms—to 38,000 from 32,000 last year—despite a severe fall in overall registrations. Back Page.

Pound clearly undervalued Schmidt tells Callaghan

BY ADRIAN DICKS

BONN, Oct. 6.

HERR HELMUT Schmidt, West German Chancellor, gave a ringing endorsement to-day to Mr. James Callaghan's Government for what he called "a series of courageous decisions in the sphere of economic and financial policy."

His generous praise of Britain's progress towards better economic health was qualified, however, by a firm warning from the German Cabinet that it could not accept yesterday's refusal by the U.K. in Luxembourg to devalue the "green pound" used in Common Market transactions.

Herr Schmidt said the parity of sterling in recent weeks seemed to him justified neither on economic nor political grounds. "The pound is, in our opinion, clearly undervalued."

The German Chancellor made his remarks about Britain on a day that opened with the pound marked down to below DM4 on the Frankfurt Foreign Exchange market. In later dealings, sterling recovered, to close at DM4.005-DM4.010.

The West German Government was also obliged to issue at least two firm denials that it had any intention of revaluing the parity of the D-mark against the other currencies in the European "snake."

Once again, a series of rumours to that effect circulated in the markets, together with a statement by a Free Democrat Deputy favouring a revaluation. He was firmly repudiated by the official spokesman to-night.

Tribute

Herr Schmidt paid especial tribute to the achievement of the British Government in bringing about voluntary agreement on the part of the unions to limit average wage increases to 4.5 per cent.

"The British Prime Minister

and I are agreed that economic progress and price stability in our Western industrial societies can only be achieved on the basis of social consensus."

Dr. Armin Gruenewald, the West German Government spokesman, said Herr Schmidt had reached his conclusions on the situation in Britain in a telephone conversation with Mr. Callaghan last Sunday night, when the Prime Minister called the Chancellor to congratulate him on his re-election. Herr Schmidt felt it would be useful, his spokesman added, to meet Mr. Callaghan soon.

It was understood here to-night that no plans exist at present for an earlier bilateral meeting than the next in the regular series of Anglo-German summits which take place at six-monthly intervals: this would be in December.

However, the two heads of Government will have an earlier opportunity to talk at the European Council meeting in The Hague on November 29-30.

In its progress towards economic recovery, Herr Schmidt said, the British Government had already achieved important successes.

He stressed the halving of the inflation rate since last year and the expansion of exports. In the first half of 1976, Germany had bought 25 per cent. more from Britain.

"The Federal Republic naturally notes with gratitude the fact that the British Government, in spite of sometimes heavy economic and foreign exchange problems, has shunned measures that would curtail trade."

Herr Schmidt added that West Germany would of course support the British application to the IMF, though he made no comment on the conditions that might be attached.

His latter comments came during a Cabinet meeting this morning—the first since the coalition Government narrowly won re-election last Sunday—that began with a report from the Agriculture Minister, Herr Josef Ertl, on yesterday's meeting of the Nine.

'Green £'

Failure to alter the parity of the "green pound" would cost the Community at least 800m. units of account, or about DM2.5bn. this year.

West Germany's share of this would be about DM800m. this year (£200m.), and might be as much as DM1bn. in 1977, according to figures provided by Herr Hans Apel, Finance Minister.

Although officials in Bonn stress the sympathy felt here for the U.K.'s predicament over possible food price increases—Herr Schmidt himself made his sympathy plain—the cost of what amounts to a direct subsidy to British consumers is regarded as simply too high.

West Germany would prefer the extra import bill that would follow a "green pound" devaluation to be tackled as part of the overall balance of payments problem.

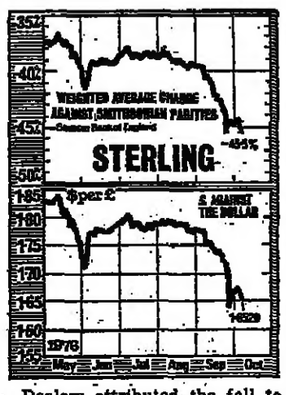
Sterling touches new lows

BY MICHAEL BLANDEN

THE POUND dropped sharply in nervous foreign exchange markets yesterday, falling below the $1.64 level at one stage and reaching new lows on average against other leading currencies.

In spite of the pressure, dealers saw no evidence of significant support being offered by the Bank of England. With the help of more encouraging news from British Leyland, the rate recovered some of its losses later in the day.

At a dollar closing rate of $1.6520 in London, however, sterling was still showing a fall of 1.25 cent from the previous day's level. And its effective depreciation against other leading currencies from December, 1971, levels reached a record 45.7 per cent. during the day before ending at 45.5 per cent., equal to the closing low point at the height of last week's crisis.



Dealers attributed the fall to uncertainty over the U.K. economic situation, with Leyland's problems being widely quoted as causing further concern. But the pound also felt the effects of a further improvement in the West German D-mark on renewed revaluation rumours, with sterling falling below the DM4 level for the first time in the morning.

In Frankfurt, Herr Helmut Schmidt, the West German Chancellor, was officially quoted as saying that sterling was clearly undervalued while the German authorities described speculation on a DM revaluation as "totally inaccurate."

The fall in the pound was seen in London as further evidence of the sensitive state of the market. The initial drop had taken place last night in New York, with the rate there down by over a cent. But the decline went further after London opened, with sterling at one stage moving as low as $1.6375 before its later recovery to its overnight levels.

FEATURES

FT SURVEY

ON OTHER PAGES

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LOMBARD

Why CCA refuses to add up

BY ANTHONY HARRIS

NOT EVERYONE is going to feel very dismayed at the news to-day that the introduction of Sandilands accounting methods is falling badly behind schedule. A lot of accountants, including one of the best-known firms in the country (and indeed in the world) are far from sorry. Bankers, whose problems were simply overlooked by Sandilands, may feel that the silver lining is rather bigger than the cloud. The Society of Investment Analysts, so reluctantly brought round to the system, may see an opportunity to return to their first critical thoughts.

Quiet pleasure may also be felt in Brussels, where the task of harmonising European company accounts—one of the bits of harmonisation that really does make sense—has been looking increasingly impossible, with the British dashing off in one controversial direction, and the French reportedly on the point of going even faster in another. Sir Douglas Allen may feel that his job of pruning the Civil Service will be a little easier if the Central Statistical Office is not, for the present at any rate, asked to produce something over 100 new price indices for the accounting profession. Some of the academic critics, such as Professor Baxter and Professor Myddleton, who have been publishing salty comments on the Sandilands Report ever since it appeared, will surely be tempted to perform some kind of celebratory dance.

Cheer for delay

However, just in case all these critics are overcome by tact, I will raise my own small cheer. Delay is for once the right outcome: it offers time.

The delay is also in some ways a humbling lesson for the critics: for it now appears that while we were all, in our different ways, demonstrating to our own satisfaction that the proposed system of Current Cost Accounting is intellectually unsatisfactory, the really fatal flaw has proved to be quite a different one: CCA is a dreadfully complicated way of achieving rather a simple result—so complicated, indeed, that it now appears that small companies will not merely be slow to adopt the system: they refuse to do it at all.

This is very odd, because the one merit which even the sternest critics have been prepared to concede to CCA is that it produces figures not unlike those which management uses for its own information: it aims at proper capital budgeting and a proper accounting for cost of sales. It is the effort to translate a capital budget—which is after all a statement of intention, which can be altered—into some immutable charge for "real" depreciation which results in a great deal of the problem.

It is here that we run into the morass of subjective valuations, and notional calculations of "economic value to the company" which makes it so difficult to do an objective audit of a Sandilands account, and is causing some of the acutest problems for the profession.

Too pretentious

The second attempt to achieve objectivity, the measurement of cost of sales neither on historic costs nor on a simple LIFO system, but by reference to a whole new family of price indices is laborious but straightforward in theory, but can be very difficult in practice. There are more kinds of business, with more structures of cost, than can be dreamed of.

In other words, the practical problem which is holding up Sandilands is that it is too pretentious. It ties itself in knots trying to achieve an objectivity impossible in this shifting world.

However, the intellectual objections have proved important too. First, the profession is itself tied in knots trying to solve the problems which Sandilands refused to face—the treatment of monetary gains and losses, the preservation of shareholders' equity, and some objective test for prudent distribution. The reported result from the Morpeth committee, which is trying to make practical sense of the system, is a company report which would offer four different measurements of profit, to be taken according to taste. Such an outcome—confusing to shareholders and analysts, and virtually useless in bargaining with Whitehall over taxes, contracts and price controls—hardly seems worth the labour involved. Quadruple ambiguity is indeed a strange and uninspiring device for the banner of accounting reform.

RACING — BY DOMINIC WIGAN

One for Star Prince

WITH LINGFIELD abandoned because of the waterlogged state of its low-lying Surrey course, only York will be racing to-day. The best proposition of the afternoon, in my opinion, is Mr. David Robinson's once-raced juvenile, *Star Prince*, which is amongst the runners for the Bramham Moor Maiden Stakes (2.30).

This extremely well-bred chestnut by Realm out of Welsh Star—the mare has already produced four winners, including Welsh Pearl—showed the he may well have been cheaply bought at 17,500 guineas when making his debut in the Ribero Stakes at Doncaster on St. Leger day.

Looking a good deal more in need of the race than his rivals, Star Prince was well in contention approaching the final furlong when he became unbalanced after jumping a path.

A powerfully made and handsome individual, Star Prince, like the majority of his sire's stock, should be well suited by the testing conditions and is suggested with a reasonable amount of confidence. Don, third in that Doncaster event, has since finished a disappointing fourth in weaker company at Redcar but may still be the principal threat to the selection.

Half an hour after the Bramham Moors Stakes I expect another Newmarket representative, the soft ground specialist *Derringo*, to land the Chesterfield Handicap (3.0); while *Light Lager* can boost hopes of an SKF Cesarewitch triumph with a victory in the Rockingham Cesarewitch Trial (4.0).

YORK

2.00—Santana
2.30—Star Prince***
3.00—Derringo*
3.30—Cupid's Dew
4.00—Light Lager**
4.30—Bright Finish

Timeform, which for nearly 30 years has published that indispensable annual, *Racehorses*, which covers so comprehensibly the summer sport and the many horses in training on the Flat, now introduces a companion volume to cover the jumping season. Titled *Chasers and Hurdlers*, the 1975-76 edition conforms to the exacting standards set by its Flat racing predecessors, and is, without doubt, the fullest record ever produced of a jumping season.

Many people in all spheres of the sport had been eagerly awaiting this volume, and there seems little doubt that it will soon become the standard work of reference for those involved in National Hunt racing as well as a valuable asset to the serious betting man. It contains nearly 700 pages and 300 photographs and is published to-morrow at £12.50, including postage, by Portway Press, Timeform House, Halifax.

SALEROOM — BY ANTONY THORNCROFT

Two Picassos make £61,000

A PREVIOUSLY unknown version of "La femm qui pleure," a Picasso etching of 1937, sold for £31,000 at Sotheby's yesterday (plus the 10 per cent. buyer's premium) to an anonymous bidder. A rather similar version of the subject went to the same buyer for £30,000.

Although Picasso used the idea of a weeping woman in his Guernica work these prints are not included in any catalogue of the artist's work. The record auction price for a Picasso print is £51,000 at Berne in 1973.

The prices were well up to expectations, and were the prize items in an auction of 19th century and modern prints which totalled £248,642, with 16 per cent. bought in, quite a reasonable proportion for a print sale.

A Picasso lithograph "Nature morte au compotier" made the good price of £7,500 to Colnaghi, and a Tokyo dealer paid £7,000 for "Tête de jeune fille" by Picasso. A linocut "Buste de femme au chapeau" sold for £5,700. Works by Toulouse-Lautrec and Villon also did well, but there were disappointments, in particular Munch's "Vampyr," bought in at £15,000.

But the best prices of the day were paid at a Christie's clock and watch sale. A late 17th century gold and enamel watch, signed Jo Norris, Amsterdam, was bought by a Dusseldorf collector S. Marouf for £19,000 (plus the 10 per cent. premium), more than twice the pre-sale forecast. The watch had been in the Sternberger collection, and had sold at Christie's in 1937 for £58 16s.

Another exceptional price was the £12,500 from the Zurich dealer, T. Beyer, for a Thomas Tompion ebony veneered bracket clock of around 1700. It had been estimated at £8,000-£10,000. The same price was paid by P. van Gerbig for a Joseph Knibb striking walnut longcase clock. Krebs bought another Knibb longcase for £5,000.

A feature of the sale was the presence of overseas buyers, especially those from strong currency countries like Switzerland, Germany and the Netherlands. Only 1 per cent. of the sale was bought in, suggesting that, after recovering and then levelling out, clock and watch prices are moving upwards again.

Sporting guns

There were two more successful auctions at Christie's. Jewels, as usual, did very well, with most lots exceeding their forecasts. A diamond necklace forming a tiara sold for £20,000 to Seymour and a rectangular cut diamond single stone ring, with the diamond weighing 10.06 carats, was bought by Music for £16,000.

A sale of modern sporting guns, another strong market, realised £140,543, with a pair of 12-bore sidelock ejector guns by J. Purdey going to McFarlane for £12,000 and Partridge [illegible] Art giving £10,000 for a pair of 12 bore over-and-under sidelock ejector guns by Boss.

Phillips sale of furniture at Knowle in the Midlands produced £43,419 with Haig paying £2,700 for a 17th century oak court cupboard, while Sharaban acquired a late 17th century longcase clock by Ebsworth of London for £2,150. At Phillips in London an 18th-century porcelain group of a wounded Roman warrior and a woman, made in the Doccia factory near Florence, went to Carani for £1,700.

At Stanley Gibbons there was a sale of paper money which totalled £28,100. The top price was the £3,500 paid for an example of Europe's oldest banknote—the 10-thaler note of the Stockholm Bank which was issued in 1666. A Tientsin Deutsche-Asiatishe Bank 10 dollar note of 1907 sold for £300 and two Danish emergency notes issued during the Napoleonic wars fetched £155.

Sotheby's Belgravia sold English works of art and furniture, mainly Victorian, for £30,162, with a French carriage clock making the top price of £940. Once again clocks, particularly Victorian mantel clocks, were much in demand. At Christie's other saleroom in South Kensington, furniture sold for £16,106, and cameras and photographic equipment for £10,010. A sextant of the mid-18th century by Berge realised £700.

GOLF — BY BEN WRIGHT

Irwin's experience to tell against Ballesteros

THERE ARE TWO distressing aspects to the Piccadilly World Match Play championships which begin at Wentworth over the West Course to-day. There is a persistent rumour that the sponsors are going to go out with a flourish—they are offering £75,000 in prizemoney—this time, with £25,000 to the winner. And with eight such brilliant and popular players on view, it is sad that four will take no part after the first day of this more than usually intriguing event.

The course, which like everything else in Britain, has been sorely tried by the drought, is virtually grassless on the fairways and in addition has recently been pounded by heavy rain, so that there will be hard luck stores that are more than ever valid because of the conditions.

There could hardly be four more fascinating matches than the "draw" has produced, which as everyone appreciates is designed to lend itself to the most interesting pairings. In the first, Hale Irwin, the winner in the last two years, opposes the brilliant young Spanish teenager, Severiano Ballesteros, who tops the British Order of Merit and last week-end achieved a victory over Gary Player in the Lancome Tournament in Paris by no fewer than ten shots.

Day in and day out, Irwin is without doubt the finest golfer in the world, but two factors are stacked against him. First, he has broken his three wood this week. Second, if it rains, he is severely discomforted as a wearer of spectacles.

Critics readily write off the young Spaniard because he is certain, in their opinion, to make several trips into the tree-lined jungles that line both sides of practically every fairway. But in this form of competition that matters little if you can record the odd seven birdies and perhaps an eagle or two, which has always been the recipe that has thrilled the galleries at the Piccadilly. I take Irwin to win this one on the score of experience alone.

A form horse

Player's impeccable record in the event—he has won five times in 11 starts—is enough reason for choosing him to prevail against the 47-year-old veteran Arnold Palmer. But their score is one-one in this event, and the American might just choose to raise his game on such an occasion as this. Whoever loses, there will be many misty eyes among the crowds that are sure to scamper around after them, and in taking Player I am merely picking a form horse in terms of recent play.

Some might say that is nonsensical, in that Player is at present only 48th in the American money winning list. But Palmer is not in the top 100, and I am in any case a great believer in horses for courses.

The third match is possibly the one that will be overlooked. But neither David Graham of Australia nor Hubert Green of Alabama has won a major championship, and both are knocking on the door that will allow them to enter the Hall of Fame as great major championship winners. Both are in startling form, as Gren proved particularly in South Wales last week-end, and I see the eventual winner emerging from this encounter.

In the last, Britain's only representative, Brian Barnes, who performed miracles in beating Jack Nicklaus twice in one day in last year's Ryder Cup match and then by winning the British match play championship, is opposed by the U.S. Masters champion, Ray Floyd.

There has been quite a flood of money for Barnes at 25-1, but I choose to think that Floyd is a much better all-round course manager, and despite my hopes to the contrary, I [illegible] Barnes will be overwhe[illegible] the brilliance of the A[illegible] wooden club play [illegible] parched fairways.

For me, then, it will [illegible] to meet Player in F[illegible] hole semi-finals, and I [illegible] to win that one. I am [illegible] to predict to-day's [illegible] between Graham and [illegible] whoever it is I fancy [illegible] Floyd in the second [illegible] Goodness knows who [illegible] eventual winner, and I [illegible] be blushing with embar[illegible] to-night at having [illegible] first round losers. [illegible] lies the total fascinat[illegible] type of event.

New accou[illegible] draft standa[illegible]

By Michael Lafferty

THE INTERNA[illegible] Accounting Standards [illegible] has published a draft [illegible] standard on extraordin[illegible] and prior year adjustm[illegible]

The committee disti[illegible] between "unusual ite[illegible] "income from the ordin[illegible] vities" of the busines[illegible]

Entitled The treatme[illegible] income, satement of [illegible] items and changes in [illegible] estimates, and accoun[illegible] cies, the proposal is [illegible] to accounting standar[illegible] six already issued by [illegible] accounting professio[illegible]

1,473 Min[illegible] PR men

THE number of publ[illegible] officers, in Governme[illegible] ments increased from [illegible] January, 1964, to 1,473 [illegible] I this year, Lord Peart, [illegible] the Lords said yesterday.

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.41 For Schools, Colleges. 10.45 On the Move. 11.00 For Schools, Colleges. 12.15 p.m. Golf: Piccadilly World Matchplay Championship. 12.45 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.00 You and Me. 2.14 For Schools, Colleges. Zigger Zagger (3.) 2.45 Golf: Piccadilly World Matchplay Championship. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.10 The Oddball Couple. 5.35 Noah and Nelly in Skylark.
5.40 News
5.55 Nationwide
6.45 To-morrow's World
7.10 Top of the Pops
7.40 Happy Ever After
8.10 Kojak
9.00 News
9.25 Sailor
9.35 Show Jumping: 1976 Horse of the Year Show
10.45 To-night
11.25 Danny la Rue—This Is Your Lunch
11.55 Weather/Regional News

All Regions as BBC-1 except at the following times:

WALES—5.10-5.35 p.m. Bilidowcar. 5.53 Wales To-day. 6.45-7.10 Heddiw. 11.55 News and Weather for Wales.

SCOTLAND—9.41-10.01 a.m. For Schools (around Scotland). 5.55-6.45 p.m. Reporting Scotland. 11.55 News and Weather for Scotland.

NORTHERN IRELAND — 3.53-3.55 p.m. Northern Ireland News. 5.55-6.45 Scene Around Six. 11.55 News and Weather for Northern Ireland.

ENGLAND—3.55-6.45 p.m. Look North (from Leeds, Manchester, Newcastle): Midlands To-day (from Birmingham): Look East (from Norwich): Points West (from Bristol): South To-day (from Southampton): Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University
9.30 Conservative Party Conference
11.00 Play School
11.25 Conservative Party Conference and at 2.30 p.m. Afternoon session.
5.00 Open University
7.10 Take Another Look
7.29 Weather
7.30 Newsday
8.05 Diary of a Village
8.35 The Book Programme
9.00 The Hollywood Musical: "Kiss Me Kate," starring Kathryn Grayson and Howard Keel
10.45 Late News on 2
10.55 Golf: Piccadilly World Matchplay Championship (highlights)
11.45-11.50 Closedown: John Westbrook reads "I am a Cameraman" by Douglas Dunn

LONDON

9.30 a.m. For Schools. 10.40 Conservative Party Conference. 11.00 For Schools. 12.00 Animal Kwackers. 12.10 p.m. Rainbow. 12.30 A Ripe Old Age. 1.00 News plus weather and FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 Conservative Party Conference. 3.50 Emmerdale Farm. 4.25 Children's Film Matinee: "Sierra," starring Audie Murphy.
5.45 News
6.00 To-day
6.35 Crossroads
7.00 The Bionic Woman
8.00 The Crezz
9.00 This Week
9.30 The Howerd Confessions
10.00 News
10.40 Shaft
12.05 a.m. What the Papers Say
12.20 London Scene
12.30 Close: Tina Heath reads extracts from "Godfacts" by Dick Williams

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Bomper Room. 4.45 Anglia in Jeopardy. 5.15 David Niven's World. 6.00 About Anglia. 6.20 Arena. 10.40 George Hamilton IV. 11.10 Tawiarra. 12.10 a.m. A Big Country. 12.40 The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.20 The Lone Ranger. 4.45 The Time Tunnel. 6.06 ATV Today. 7.00 Survival Special. 10.40 Gardening Today. 11.10 The Prisoner. 12.10 a.m. Colin Marshall.

BORDER

1.20 p.m. Border News. 2.00 Women Only. 4.20 Tarzan. 5.15 David Niven's World. 6.00 Border News and Lookaround. 7.00 Movin' On. 10.40 Gardening Today. 11.10 Police Story. 12.10 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On When. 4.20 The Adventures of Pinocchio. 4.50 Lost in Space. 6.00 Channel News and Weather. 6.10 Woobinda. 10.35 The Playwright: Edward Bond. 11.05 Dan August. 12.00 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 4.20 The Little House on the Prairie. 5.15 Wildlife Cinema. 6.00 Grampian Today. 10.40 Sportscall. 11.20 The Odd Couple. 11.50 Evening Prayers.

GRANADA

1.20 p.m. Take Kerr. 4.20 Tarzan. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.35 Lucky Feller. 7.05 Movin' On. 10.40 Police Woman. 11.40 Oscar Peterson Presents—Count Basie. 12.05 a.m. What The Papers Say.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 The Woody Woodpecker Show. 4.45 Return to the Planet of the Apes. 5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.35 Report Wales. 6.30 Happy Days. 10.40 A Man Called Erw Fruic. 11.10 The Thursday Mystery Movie: Cool Million.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Seren Wib. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena.

HTV West—As HTV General Service except. 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.20 Tarzan. 5.15 Animal Alphabet. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 10.38 Night Out. 11.00 Late Call. 11.11 Moneywise. 11.40 Man in A Suitcase.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.20 Betty Boop. 4.25 The Wild Wild West. 5.20 Crossroads. 6.00 Day by Day. 6.30 Police Surgeon. 7.05 Jonathan Routh and Candid Camera. 7.30 Sale of the Century. 10.40 "Hitler" Warning Michael Buerhart. 12.30 a.m. Southern News Extra. 12.35 Union With God.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 4.20 Little Rascals. 4.45 Animated Classics. 6.00 Northern Life. 7.00 The Magician. 10.40 Play Soccer—Jack Charlton's Way. 11.10 Dan August. 12.05 a.m. Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 3.48 Ulster News Headlines. 4.20 Follow That Dog. 4.45 Tarzan. 6.00 UTV Reports. 7.00 Emergency. 10.40 Countryscene. 11.25 What's It All About

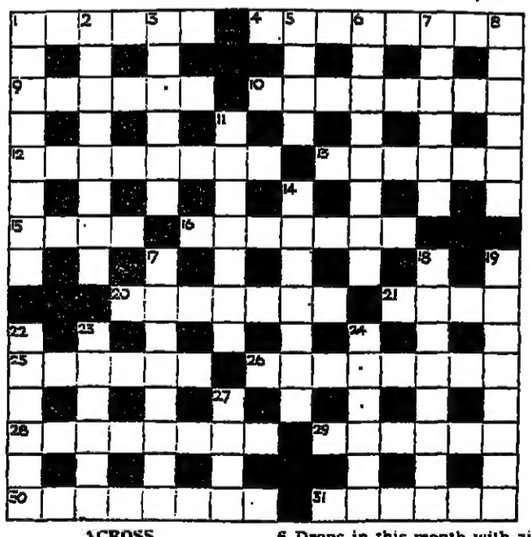
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Adventures of Pinocchio. 4.50 Lost in Space. 6.00 Westward Diary. 7.00 The Magician. 10.35 The Playwright: Edward Bond. 11.05 Westward Late News. 11.00 Dan August. 12.00 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.20 Thunderbirds. 5.20 Cartoons. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 The Magician. 10.40 Police Story. 11.35 Pro-Celebrity Snooker.

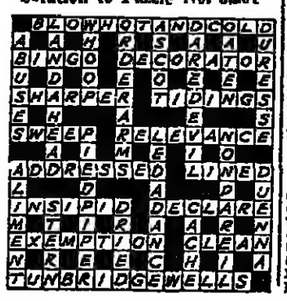
F.T. CROSSWORD PUZZLE No. 3,202



ACROSS
1 Haphazard money-order (6)
4 "The — of honey does not concern the bee" (Dickinson) (8)
9 So many pieces of betrayal (6)
10 Permit what we do at the end of dinner (8)
12 Get an article of clothing in an endeavour to burlesque (8)
13 A queen's beauty consultant (6)
15 The right to help an invasion (4)
16 Writes badly with a fast stroke in the ship (7)
20 Approval from the Archbishop in the back stalls (7)
21 Take a squint at the actors (4)
25 Copper finds uncommon poison (6)
26 Previous exam gives us a symphony (8)
28 So the oriental in the finish showed keenness (8)
29 Black group? Rich enough to fly on holiday (3, 3)
30 "Getting and —— we lay waste our powers" (Wordsworth) (8)
31 Hasten round to the City (6)

DOWN
1 Going round with a list for the party (8)
2 Do we need a carpenter to expose an untruth? (4, 1, 3)
3 Start with the unfashionable crowd (6)
5 Welshman sounds like a crook on the way up (4)
6 Drops in this month with ailments (8)
7 South American city with an attempt at disturbing the peace (6)
8 The whole Bible portion can be found in Ireland (6)
11 Stand-offish like a hijacking victim (5, 2)
14 Many a beast rises in plates (7)
17 Plump but versatile (3, 5)
18 Just a geographical feature in knitwear (4, 4)
19 Simeon appears with it in the fashions (8)
22 The prison officers find the company aboard (6)
23 After a summons he is seen to twist (6)
24 One way town in Somerset (6)
27 The bird gives a sound performance (4)

Solution to Puzzle No. 3,201



RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 John Dunn (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 7.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.02 Golf: Piccadilly World Matchplay Championship. 11.30 Jimmy Young (S), including 12.02 and 1.02 p.m. Golf Charter news. 1.50 Sports Desk. 1.55 Good Listening (VHF), 2.02 David Hamilton (S) as Radio 1 but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.48 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Don Davis's Just for Fun. 7.30 Dave Allan's Country Club (S). 9.02 Folkweave (S). 10.02 Sports Desk. 10.07 Band Parade (S). 11.02 Jean Challis with The Late Show (John only, also 202m Scotland VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

† Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Vaughan Williams (S). 9.40 BBC Chorus Directors: John Poole conducts Bliss (S). 10.25 Arnold in Brahms's Second Piano Concerto (S). 11.20 Masters of the Lied (S). 11.55 Royal Liverpool Philharmonic Orchestra: Jones, Bridge, Nielsen (S). 2.00 p.m. News. 1.05 Bradford Midday Concert. 2.00 Handel's "Semele": Oratorio, Acts 1 and 2 (S). 3.50 Words. 3.55 Handel's "Semele", Act 3 (S). 5.05 A Man of the People (ta), about Chaliapin. 5.25 Flamenco Guitar (S). 5.45 Homeward Bound. 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Halle Orchestra part 1: Brahms (S). 8.20 Autumn to Autumn by A. Alvarez. 8.35 Concert part 2: Schoenberg (S). 9.25 The Waves by Virginia Woolf (S). 11.25 Jamie Baker: The Early Years: recital of songs recorded between 1960 and 1967. 11.55-12.00 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including Sports News, Today's Papers, and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 (VHF) Regional News. 8.50 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved. 9.40 News. 10.05 Ford v. Carter (TV debate). 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 An American Heritage. 11.50 A Century of Countrymen. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Word! (S). 12.55 Weather, programme news (VHF except London and SE: Regional News). 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00 including 2.00-2.02 News). 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack De Manio Presents (including 4.00-4.05 News). 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report (VHF) Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Forces' Chance. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 25 Years of Any Questions? 8.00 In Our Time. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12 noon and 2.00-5.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Sue Barnes with Early Birds. 9.00 Carry On Counting. 9.20 John Tomnod with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 20s Showcase. 4.03 Tony Fish with Home Run, including 4.50 and 5.50 London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Soul 77. 10.03 Late Night London. 12.00-Closedown As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking in London. 1.00 p.m. Newswatch. 5.00 News-break. 5.05 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour through the night.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

هكذا من الأصل

d Playhouse

The Tempest

by GARRY O'CONNOR

Tempest was written as burial piece of arts d other lingeringly pas- keletons, in the family then both are in for self-conscious and deca- lebration in Gordon ll's Oriental production. tings by Mitsuru Ishii, plazoned with acknow- ts to Kabuki and theatres. Prospero Michael) and Miranda lunmicutt) live in a pre- te dream, she with flow- es, he with a constant ich speaks of far-away s, like a 30s nostalgia

(Darien Angadi) is cast r exotic a mould. With ored immaculately and ly slim torso elegantly ed on the proceedings, reeze to a freeze position drop of a Milanese cour- , or mention of his dam, sing softly backed by electronics, or merely, when doing nothing else, glide.

Equally arresting to look at is Thomas Baptiste's Caliban, a quite loathsome monster, with green scales on the back of his head and other protuberances on less-mentionable places.

Most arresting of all is the vision of the banquet table to tantalise the Men of Sin, which is attended by greek shapes dancing in contorted glee. Iris, Ceres and Juno wear eye-opening Oriental costumes. But if the eye is often dazzled, the ear and sense are as often dimmed. Most of the cast play in a gentle soporific manner; earnest and concerned to talk to one another, but with little urgency to communicate to an audience.

It may be that the intrusion of skilful cacophonies from sitar and percussion remove the punch from what they are saying. It may be that Zeus and the Bard do not mix, or if they do, Mr. McDougall has not hit upon the right measures.

Romeo and Juliet

by B. A. YOUNG

the move—a design by antini of movable man- at glide sideways to pro- changing townscape of d narrow alleys; hand- young Montagues and frisking in the piazza; hasing her charge around ayward puppy; the most ted embraces, sudden ble dances. You might raw material for a silent

hen turn up the sound. saccentuations and mis- iations begin to grate ear. John Tordoff's is a Pickwickian in dis- nd Svetlana Beriosova's Capulet apparently d on Tenniel's Red Lila Kaye's Nurse is rt kind of creature, but l run about embracing e, even Laurance Rudic's Friar Lawrence. The generation give the im- n of a student perform- ance, and it is quite a surprise to look into the programme and find among them such familiar names as Michael Feast, who is a Mercutio who at least does not overdo his poetic light-heartedness.

Brian Stirner brings little to his Romeo but his youth and good looks. Angela Pleasance is a breathless, restless Juliet, always writhing and waving her arms in gestures that are only occasionally apposite. Her short-winded delivery is no doubt meant to emphasise her extreme youth, but she sounds more like a child of eight than a young lady of 18.

The director is James Roose-Evans. He still has a lot of work to do if he is to save this flaccid production and make it good enough for the Shaw's young audiences, who will get little from it at the moment beyond a hearing of the words—most of them, anyway.

dhouse

The Runaways

enly it's punk rock. In last week-end you had ice between Dr. Feelgood, st sophisticated and com- lly successful of the punk and the Runaways, five e Californian girls, which haps the most bizarre ng for novelty, I enjoyed Runaways' first British ance at the Roundhouse.

immediate reaction on sing the act (arriving late Roundhouse you have to until someone in the d, standing throng has d or freaked out before squeezed into vision) is as no one thought of this . There have been other e rock bands, notably , but Fanny were ladies, wanted to be loved for music rather than their The Runaways are sheer fantasy—mean, raw and sly not house-trained.

y are very, very young and shocking in their ned) aggression, as they around the stage, stagger- nder the weight of large s and leering at the ed youths who press t the stage and seem quite fied by this fusion of heavy mindless rock rhythms and blatant sex.

Eventually the Runaways go over the top when the singer starts a fight with a pimpish bass player, who has outgrown her red hot pants, and a sultry lead guitarist who has trouble keeping on her vest.

I wonder what the addicts of the emerging British punk rock bands, like the Sex Pistols, will make of the Runaways. For punk rock is a very masculine movement, music for the young, uneducated, unloved, urban drifters, who have finally rebelled against the dominance of the rich as Croesus, or college educated bands, which have so long dominated the British popular music Establishment with their egotistical illusions.

The aggressive, short-haired, red-necked followers of punk want music they can understand, and music as unimaginative and anti-social as their own lives. The result may be philistine, but the force behind it is understandable enough.

ANTONY THORNCROFT

The Entertainment Guide is on Page 12

xandra Palace

Havergal Brian Festival

cause of Havergal Brian, eglected, long-lived, obsti- productive composer is being fought for in his ary year. At least three on the man and his music recently appeared. At the ndra Palace, the BBC the Philharmonia and the GLC been gravely mounting a Festival of three con- there is a final one at bert Hall on Sunday even- with Sir Charles Groves cting the NPO, the London Society and four mili- ands. Tuesday's conductor Vernon Handley, who led two of Brian's 32 onies, one of them (No. a first performance, the (No. 26) the first in Lon- are three-movement sym- es, though in No. 26 the and third parts are ped and in No. 20 Mr. ey made his pauses so that the final had before one was ready Yet they are not as dis- tions as Brian's symphonic is commonly reputed to be. umping from one mood or to another seems to be er one likes it or not an tial part of his way of writ- lle trouble is that while ins could make a virtue of itinuity, judging from eally small experience of usic Brian doesn't achieve The quickening to a se, loud passage at a point the motor seems to be ng down is effective in the short term. Whether or not it works in the long-term repeated hearings may show.

Brian has been praised for his orchestration. Perhaps the Alexandra Palace, where orches- tral tone develops a rolling resonance not at all disagreeable but far from clear, is hardly the best place to judge. Certainly these two symphonies showed none of the conventional, timid or amateurish approach one might expect from a composer who had sadly few opportunities of putting his scoring to the test of performance. Neither did it suggest a particularly original or sensitive ear—stout English woollen woven with a tough thread, with sometimes an odd suggestion of Reger thinned out by Hindemith.

Brian's terseness (better than long-windedness) leaves one ready for more, or to be more accurate, feeling one ought to hear more—a matter of con- science as much as musical appetite. That so few people made the damp pilgrimage on Tuesday to the booming cavern on the windy heights is sad but not altogether surprising. Mr Handley's vigorous, confident direction of a willing NPO spoke of devoted preparation. The in- clusion at the beginning of the concert of the beautiful, too in- frequently heard *Oceanides* of Sibelius (nothing rough or dis- continuous there) was welcome if not entirely helpful to what followed.

RONALD CRICHTON

Leonard Burt

Alec Guinness as Jonathan Swift and Nicola Pagett as Stella in 'Yahoo,' a new play about Swift that opened last night at the Queen's Theatre

Covent Garden

Die Walküre

by MAX LOPPERT

After the sparkling theatrical intelligence of the Royal Opera's *Das Rheingold*, *Die Walküre* comes, in all its glittering black and silver, as a dour disappointment. Götz Friedrich's staging of the *Ring* cycle is, of course, a "partial" one, concerned to emphasise certain aspects of the drama at the expense of others. When, as in Monday's *Rheingold*, his vision inspires singing, word-utterance and playing of luminous musicality, then the spectator must allow it, at the very least, a measure of respect. But when, the day after, there is much flawed singing and low-key orchestral playing as musical *component of a staging* that finally bores the eye and chills the heart, then "partiality" becomes inadequacy, and the measure of respect diminished.

What seemed wanting, strongly though not crucially, in Friedrich's *Rheingold*—the ability to amplify emotional relationships with as much emotional warmth and grandeur as there is in the music—is a loss that ultimately cripples *Die Walküre*. Hostility, tension, aggressive energy (the Ride is a handsome and effective visual composition)—to these there is sharp analytical response; to love, or the splendour of noble sacrifice, little but profusely detailed evasiveness. Only singers of the greatest inner radiance, a cast of male and female Lotte Lehmanns, could pierce the coldness—though any such radiance is a Wotan or Brünnhilde would have to be expressed by voice alone, when make-up so thoroughly masks eyes and mouth, those most potent expressive weapons of the great Wagnerian actor. High up on his grey launching pad, out of touch with his audience, did Wotan bestow on Brünnhilde those all-important long, sorrowful, loving looks of farewell? We were unable to discover; and the inability is significant.

For *Die Walküre* is one of the richest and fullest expressions of warm, noble human emotion in art; and a production that minimises its warmth must be accounted unsuccessful, however, many minor or striking dramatic successes encountered along the way. Once again, Colin Davis's conducting takes its tone from the staging—a muted first act, not so much slow as without "architecture," often very sensitive in the coloration of detail; and a dispassionate long close; with bite and urgency for the Fricka-Wotan confrontation, and an exciting Ride.

Hard work, then, for the players to reach our hearts; even so, employing other standards, one could still deem the three newcomers to the second cycle unsatisfactory, though in varying degrees. Peter Hofmann, a young, slim Siegmund with a Burne-Jones face and figure, and a voice of grateful, warm and even colour, was the least so. He had not yet got the measure of the house, so that there sometimes seemed little to spare, particularly at the ends of long phrases. In this production, *Siegmund behaves for so long* like a scared, scuttling rabbit that tender, manly poetry is hard to summon; but in the simple, secure delivery of his replies to Brünnhilde, not over-inflected but full of natural feeling, there is the promise of a notable performance. (For most of the second act, brother and sister are entirely obscured from a large section of the audience on the left side—a grotesque unkindness to those who have shelled out at least £11 a seat.)

Norman Bailey has not, on the evidence of Tuesday's form, the fullness of voice or the towering personality to be the Wotan of this production. Kindled by the tenderness of Goodall at the Coliseum, he *moves us* with natural strength of feeling and intelligence; at Covent Garden, we note the limitations in the vocal carrying power, the occasional constrictions and dryness—though suddenly, at "Der Augen leuchtendes Paar," late in the evening, the tone began to flow. The *second Brünnhilde* is, as before, the young Hungarian, Katalin Kasza, who sings with several voices: most of them edged with an acerbity that cuts through the *house*; one so *strident* and curdled (as on the repeated Es of "O sag', Vater! sieh' mir 'in's Auge!") that one needed to shade the ears; another, in the low range, of sudden soft, sweet beauty. There seems to be no vocal discipline to link them; and only a very limited feeling *for the import of the words*. Miss Kasza is tall, handsome, talented and willing; but her *Walküre* Brünnhilde sorely lacks finish.

Elizabeth Hall

Lassus

Roland de Lassus (or Orlando di Lasso, as italophiles will *prefer*) spent his life from the age of 25 in the service of the Dukes of Bavaria at their court in Munich. Duke Albert V was a shrewd selector of talent in every artistic field: he chose a composer from the flourishing Franco-Flemish school as his Kapellmeister; but for his players and singers he went to the towns of northern Italy, where the best virtuosi of the day were trained.

Clive Wearing, presenting the London Lassus Ensemble in a promising South Bank début, made this potent nationalistic mixture of the Munich court the focus of his programme. Its centrepiece was a sestina, six madrigals from a collection of music by the musicians of the court, including Massimo Troiano (better known as a writer) who compiled the volume. Conservative, in Battista de Cremona's imitative "Et hor' il cunto"; bold, in Cosswino's chromatic "Qual meraviglia"; characterful in Ivo de Vento's "Mille lacciuli," they provided an interesting sample of prevalent madrigal styles, though none was of outstanding quality.

Music by Lassus surrounded this sestina, and here the singers found some of the life they lacked in the madrigals. Much of Lassus's secular music is cheerfully bawdy in content: the drinking songs and quarrelling songs came over effectively, though the genuinely funny parody of an echo piece "O la, o che bon eco" was given far too sweet a performance.

Clive Wearing did not help his singers by spacing them so widely around the platform, but he controlled them meticulously even in the complex time-changes of "Chi chilichi." His instrumentalists supplied a little of the tasteful ornamentation which was unfortunately absent from the vocal parts, though the shrill octave doubling of a descant recorder was often distracting. When Mr. Wearing has encouraged his singers to project more strongly and his instrumentalists to play more incisively, then the *ensemble will be ready for the* great Lassus settings with which they began and ended: glorious music, here underplayed.

NICHOLAS KENYON

Record Review

Up-to-date folk

by ANTONY THORNCROFT

Amaranth: **Shirley Collins: Harvest SHSM 2008**

Down the Long Road: **Bob Davenport: Topic 12 TS 274**

Crown of Horn: **Martin Carthy: Topic 12 TS 300**

Airs and Graces: **June Tabor: Topic 12 TS 298**

Southern English Country Music: Topic 12T 240

Musicians are always giving "final" concerts—for some every concert is a "final" concert. But to tuck away on the sleeve *notes of an album* that this will be the last record is unusual. But then Shirley Collins, who has announced her recording retirement with Amaranth, has always been rather unusual.

For years she was a folk singer of remarkable purity, confining her strange husky voice to the traditional songs of her native Sussex. When the itch to develop away from the claustrophobic traditional circuit finally came unbearable she ignored the easy, popular, route into electric folk in favour of the historically more relevant and aesthetically more satisfying byeways of medieval music.

In 1969 she released "Anthems in Eden", a set of traditional *songs performed as a suite with* the backing of crumhorns, sackbuts, rebecs, recorders—those early instruments which are currently being manufactured in larger quantities now than they ever were five hundred years ago.

But seven years ago it was a breathtaking idea, and the fusion of the purity of genuine folk lyrics, and dance tunes, with traditional instruments produced a beautiful record. Not surprisingly Shirley Collins has chosen the song cycle for one side of her last record, just as it appeared in 1969 with the late David Munrow on crumhorn and sister Dolly Collins adding a melancholy undertone on organ. It is, of course, a phoney medievalism, blending early court instruments with rather later rural folk songs, but the justification is in the results.

Unfortunately the record is completed with some new material. Shirley Collins's chosen favourites, and ranging from contemporary to 13th century French troubador songs. These do not come across so well, mainly because Shirley Collins' *breathless delivery is not* always in balance with the backings. The original support to "Anthems in Eden" was a group of traditional songs, of the "Nellie the Milkmaid" variety, which not only gave the album a feeling of completeness but also *sums up Shirley Collins's* contribution to folk song.

Book Reviews are on Page 25

As Shirley Collins bows out, one of her contemporaries in the still sadly narrow folk world, Bob Davenport, releases his first solo album, a staggering fact given this Gateshead singer's mighty presence in folk clubs for over *almost 20 years—indeed it* was almost impossible to visit a club and not see him standing there, suitably tousled, with hand cupped around mouth as he blasted out the less romantic traditional songs.

"Down the Long Road" is a good record of his skill. Many *folk singers sound feeble and* uncomfortable when performing without an accompaniment; Davenport's voice is so strong and rough hewed that when he is joined on the odd song by the Rakes or other groups of old friends some of the impact is lost. But from the very first *notes of "Navvy Boots"* through to the beautifully poignant "Down the Long Road" and the jigging "Whiskey in the Jar" Davenport shows that folk song recordings do not have to be numbing with monotony. He handles well northern urban songs, Irish, and the odd country ballad—and through it all is a grittiness hardly matched by any contemporary in the folk field—*such as Martin Carthy.*

Carthy, nipping in and out of groups, pairs, and solo work, is one of folk's gurus and given a great deal of deference. His credentials are impeccable, which does not prevent his latest recording "Crown of Horn" being rather disappointing. It is *hard to see its relevance*, especially when such folk standards as "Geordie" are thrown away by odd phrasings which go completely counter to the emotion of the words.

The problem is that Carthy combines very skillful guitar work with a very modern voice. *He is much better with the final* contemporary song Leon Rossel- sons excellent "Palaces of Gold," the kind of political comment rarely heard outside of the folk circuit, which manages to combine advanced political enthusiasms with making a living from the musical heritage of the conservative countryside.

A much fresher voice comes from June Tabor, who lacks Carthy's assurance and, indeed, gets off to an uncertain start with While Gamekeepers Lie Sleeping but recovers to produce an attractive album. This is a real folkies' record, with three *songs given their Child numbers* and acknowledgments to singers whose repertoire has been raided.

June Tabor has a rather melancholy voice which not surprisingly comes over best on morbid songs such as "The Band Played Waltzing Matilda," *which tells of an Australian* wounded at Gallipoli and shines strongly with the integrity and the depth of experience which makes folk music so worthwhile.

All these records show that folk is thriving. Indeed, the rediscovery of British traditional music in the past thirty years, building upon the collections by Cecil Sharp and others at the turn of the century, is one of the best things that has happened to contemporary music. Of course, dressing the songs up *with guitar accompaniments and* performing them in the rather frenzied jolliness of urban folk clubs changes them remarkably, but if a new music is being forged with old material at least the revival has aroused interest in any remaining old recordings of the genuine stuff.

Cylindrical records made before 1910 of ageing country folk half remembering the harvest homes and pub sing- songs of the period before the English countryside was abandoned and the tradition lost are intriguing but difficult to enjoy. But the BBC in the 1940s was *putting down recordings of* countryside musicians and a fascinating album of Southern English Country music has just been released, leaning heavily on wartime recordings.

This is the music of the country pubs on a Saturday night in the early decades of the *20th century where every week* the same group would fiddle away, squeeze the concertina like mad, or perhaps thump the piano. It is scarcely folk music but it is the remnants of English country music, a tradition which might have been completely lost without the current obsession *with the past.*

Festival Hall

LPO

by ARTHUR JACOBS

If an orchestra announces a complete cycle of the Beethoven symphonies, or the Brahms, the music-lover cannot resist the suspicion that he is being offered a wrapping rather than a gift. The music itself is pretty constantly on offer in one packaging or another. Not so with the Chaikovsky symphonies, of which the London Philharmonic Orchestra began a complete series on Tuesday under the baton of Mstislav Rostropovich.

Though the last three of Chaikovsky's six numbered *symphonies are rightly popular*, and even the unnumbered *Manfred* has emerged from neglect, the first three still count as rarities. Indeed, did they not all bear nicknames—"Winter Daydreams," the "Little Russian," the "Polish"—they might have even less firmly established their identity. Tuesday brought the coupling of the first of these with the familiar No. 5.

At least as much interest *attached to the appearance of* Rostropovich as conductor. Although he has so recently turned to the baton (happily without forsaking the cello) he has already been designated musical director of the National Symphony Orchestra in Washington, D.C., in succession to Dorati. To such an admired colleague, orchestral musicians will obviously go more than half way to smooth out any difficulties *that might occur from lack of* conducting experience.

The London Philharmonic were certainly in that sort of co-operative mood. From the opening moments they gave their *best in sonority and flow*, and it was a joy to hear the first two movements of the early symphony—strongly Schumannesque at times in rhythm and counterpoint, and no worse for that.

Of the Fifth Symphony, *Rostropovich gave a strongly* felt and artistically scrupulous reading. Were the dynamics of the first movement unusually restrained? Then the purpose was evidently to point up, by contrast, the quadruple-forte marked by the composer in the second. Only in the finale did *I wish for a slightly less* deliberate and more flexible tempo. In actual baton-technique Rostropovich appears to be perfectly assured, and could not fail to bring off the final excitement of the work. He was hugely applauded, the players joining in.

The participation of Galina Vishnevskaya — Rostropovich's wife — in the same programme promised an extra pleasure. Unhappily, she proved to be in poor voice. Her first two Chaikovsky arias, from the operas *Mazeppa* and *The Opritchnik*, were indifferently articulated, monotonous in tone, *insecure in pitch*, and afflicted with a curious kind of glottal attack on certain notes. Though she was able to convey more in the "Farewell" from *The Maid of Orleans*, and in Lel's aria from Chaikovsky's incidental music for Ostrovsky's play, *The Snow Maiden* she never really found herself. Perhaps her familiar offering of Tatyana's Letter Scene from *Eugene Onegin* would have been better after all.

Arts news in brief

Holman Hunt's *The Awakening Conscience* has been presented to the Tate by Sir Colin and Lady Anderson through the Friends of the Tate Gallery. It is on view in the Sculpture Hall, together with Robert Colquhoun's *The Fortune Teller* which Sir Colin and Lady Anderson have also presented.

★

The Leverhulme Trust have made available to Glyndebourne, over a three-year period, a sum of money sufficient to enable a young musician from the company to pursue further intensive studies, possibly abroad, through the winter. The specific purpose of this award is to provide such help at an early stage in the young musician's career.

The first Leverhulme Award has been made to the tenor Richard Berkeley Steele. Mr. Steele, who is 23, was born in Southport. He joined the Glyndebourne Chorus this year and will sing Flamand in *Capriccio* with GTO this autumn.

★

Musica Reservata is to tour Russia in November. The tour, which will include concerts in Moscow, Leningrad, and Lithuania, is to be jointly sponsored by the Soviet concert agency Gosconcert and the British Council. The concerts will be conducted by John Byrt.

EUROPEAN NEWS

Spanish Right calls for tougher line against terrorists

BY ROGER MATTHEWS — MADRID, Oct. 6.

THE BODIES of two of the police officers assassinated in Monday's terrorist attack in the Basque city of San Sebastian were buried in Madrid to-day after a long night of tension, in which the difficulties of Government control over some members of the security forces were emphasised once again.

Small groups of extreme Right-wingers went on the rampage in San Sebastian last night, following the funeral of Sr. Juan Maria Araluce, a member of the Council of the Realm and President of the Regional Council of the Basque province of Guipuzcoa. With four members of his bodyguard, he was gunned down outside his home by members of the Basque separatist group ETA.

After the funeral service, extremists armed with chains, metal rods and pistols smashed the windows and furniture of several cafes and restaurants, fired shots into the air, ejected people at gunpoint from at least one cinema and theatre, and tried to halt production of a local daily newspaper. Eye-witnesses said that, although riot police were on the streets, they made no attempt to intervene and made no arrests. At least a dozen people had to be treated for injuries.

Shortly after midnight in Madrid, members of the police force, and especially the political branch, began gathering 27 kilometres north of the city on the main road from San Sebastian to await the arrival of their colleagues' bodies. By 2 a.m., at least 1,000 people were gathered in an atmosphere which was described as one of extreme bitterness and determination that the bodies should rest before burial at the headquarters of the police in Madrid's Central Square.

The civil governor of Madrid and the chief of police hurried to the scene to try to reinforce their instructions that the coffins should be taken to the governor's headquarters. After negotiations, said to be acrimonious, the bodies were in fact taken to police headquarters, but with the understanding that their burial should not be disrupted by demonstrations.

Shortly after 11 a.m., the coffins of the two men were carried out of the police headquarters on the shoulders of officers from different branches to be greeted by the applause of the several thousand people outside. Attempts to sing the Falangist battle hymn were shouted down and, in almost total silence, the two coffins were paraded for over a kilometre through the streets. No member of the Government was present.

In San Sebastian last night, one of the most frequently heard shouts was "Government out," along with "Army to power," "ETA assassins to the wall," and "Franco, Franco."

The massive hunt for the killers went on in the Basque region to-day with the number of detentions now well in excess of 100. Meanwhile, the determination of the Right to force the Government to revise its policy of liberalisation was shown by a long interview granted by King Juan Carlos to Sr. Gonzalo Fernandez de la Mora, one of the leaders of a Right-wing alliance headed mainly by ex-Ministers. He is understood to have warned the King of the dangers of allowing "subversive groups" to operate freely, and blamed the San Sebastian killings on Government weakness.

The Employers' Association of the Madrid Region took a similar line in a hard-hitting statement that called on the Government to halt "tolerance" and to act energetically in the defence of peace "the only way to stop Spain becoming No. 1 in Europe for inflation, unemployment and wildcat strikes."

To-morrow's scheduled cabinet meeting, which was expected to approve a series of economic measures, has been postponed until Friday, and it may be that the Government will now have to devote itself almost entirely to political matters. Despite five long meetings of the inner cabinet committee on economic affairs during the past ten days, it is still believed that sharp differences of opinion remain on the type of measures to be adopted.

Low-paid to benefit by Norway's budget

By Fay Gjester

DIRECT TAX concessions, benefiting low and middle income groups and families with children, are a main feature of the budget for 1977, presented to the Storting (parliament) to-day by Norway's Labour Government.

The concessions are worth some Kr.1.9bn., and Finance Minister Per Kleppe said additional cuts will be granted if wage earners agree to relatively moderate pay rises when current wage contracts are revised in the Spring, in a new combined settlement involving Government, unions and employers. The budget also proposes a substantial increase in old age pensions, while food subsidies (an important element in the Government's overall incomes policy) will be kept at their present high level.

The cuts in direct taxation will be partly offset by increases in duties on beer, fortified wines, spirits and minerals, in the petrol tax and the kilometre tax on lorries. Postal, telephone, electricity and public transport charges will go up, and the employers' contribution to social security charges will be increased in most parts of Norway—though firms in the north and other development areas will be exempt from the rise.

As a whole, the budget aims at curbing inflation, in a time of general recovery from the recent world recession, while at the same time allowing real disposable incomes to rise slightly—the target for 1977 is 2.5 per cent., compared with 3 per cent. this year.

Gromyko talks soothingly to Danes about Soviet arms

By Hilary Barnes

COPENHAGEN, Oct. 6.

DENMARK AND the Soviet Union to-day signed an agreement providing for regular political consultations on specified subjects, including European security, disarmament, bilateral issues and other causes of international tension.

The agreement was signed here at the conclusion of a brief visit by Mr. Andrei Gromyko, the Soviet Foreign Minister.

During the visit, Danish Prime Minister, Anker Joergensen, and Foreign Minister, K. B. Andersen, expressed their concern at the big increase in Soviet military activity in the Baltic in recent years, culminating last month with an exercise involving troop landing craft close to Danish waters. Mr. Gromyko gave general assurances that this activity was not directed against Denmark.

Historic meeting of Portugal Assembly

BY PAUL ELLMAN — LISBON, Oct. 6.

PORTUGAL'S NATIONAL Assembly met to-day at the start of the first proper law-making session by a democratically elected Parliament since 1926.

Hanging over the 256 deputies as they took their seats in the semi-circular chamber in the Sao Bento Palace here was the knowledge that the session was likely to be dominated by the gathering campaign for local elections in December.

Dr. Mario Soares, the Prime Minister, and his minority Socialist Government, are aware that should their party's standing slip substantially in December, the President, General Ramalho Eanes, is almost certain to order them into a majority coalition with the second biggest party, the Social Democrats (until last week-end the Popular Democrats) and the third largest, the Centre Democrats.

Among early measures likely to provoke heated debate in the Parliamentary session which opened to-day are plans by the Government to curb the right to strike. Dr. Soares and his Ministers have said they will table laws banning unofficial stoppages as well as lock-outs.

The Intersindical to-day pledged it would fight the Government's decrees as "unconstitutional" by asking the Constitutional Council and the Revolutionary Council of the Armed Forces to intervene on its side to force the Cabinet to allow them to be debated by the National Assembly.

The confederation's leadership position has been under attack recently from 60 of the 190 affiliated unions who claim that the secretariat has too closely allied itself with the Communist Party and who are threatening to form a rival trade union grouping.

The pressure on the Socialist (Government) from the Left is matched by its opponents on the Right. The Social Democrats are threatening to embarrass the Government by forcing divisions over the voting system to be used in the local elections and over agrarian reform which would both drive Socialist deputies into the same lobbies as the Communists.

Plainclothes police boost French general strike

BY GILES MERRITT — PARIS, Oct. 6.

FRANCE'S one-day general strike to-morrow in protest against the stringent anti-inflation measures planned by new Premier M. Raymond Barre is to receive an unusual fillip following today's unexpected announcement that the demonstrators will be joined by plainclothes policemen.

Normally, the plainclothes police remain firmly on the other side of the political fence on these occasions, maintaining discreet surveillance of protest marches and meetings and even taking film of the participants. But because of recurring discontent over manpower and money shortages and working conditions, coupled with fears that France's Gendarmerie Nationale is increasingly taking over its duties, the Syndical National Autonome Des Policiers En Civil is demanding that the Government review its complaints. At the same time, the plainclothes police union, is, along with representatives of other police unions, to take part in to-morrow's march through central Paris.

Organised by France's three leading trade union bodies, the Communist-led CGT, the Left-wing Socialist CFDT and the FEN teachers' organisation, and backed by the Socialist-Communist opposition alliance, the strike has been billed as having the support of up to 80 per cent. of the working population.

Next week, as part of the Left-wing opposition's concerted attack on the Barre plan to dramatically curtail wage increases, Socialist and Communist members of the National Assembly are to table a motion censuring the Government proposals. The French employers' organisation, the CNPF, has in its turn already condemned to-morrow's strike

EEC warns Japan over steel

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT — BRUSSELS, Oct. 6.

THE EUROPEAN Commission has warned the Japanese Government that it is becoming increasingly concerned at the sharp upward trend in Japan's steel exports to the Community this year. It is feared in Brussels that, if these exports continue to rise as rapidly in the second half of this year as they did during the first six months, they will disturb the delicate balance in the European steel industry, and notably in the market for profiles and fine and special steels, where the Japanese export effort has been particularly strong.

The Commission has already communicated its anxiety to the Japanese Government through diplomatic channels. It is expected to take the matter up vigorously at the next meeting of representaives of the Coal and Steel Community with the Japanese Ministry of Trade and Industry (MITI) in November. At present, any suggestion that the EEC might impose some form of controls on Japanese steel exports is being discounted

THE EAST GERMAN MIDDLE CLASS

Falling further behind

BY LESLIE COLITT, BERLIN CORRESPONDENT

REINHARD and Birgit Kasper are one of many East German middle class couples who feel that they are falling behind the workers in the headlong race for a higher standard of living. Their complaints may sound self-centred to the great mass of East Germans who earn far less than they do. But they are no less real than middle class grumbling in the West against rising taxes and inflation.

Herr Kasper is 38, a doctor of physics employed in the research laboratory of a factory outside East Berlin. His wife, aged 36, also works, as do over 80 per cent. of East German women of working age. She is an editor in an East Berlin publishing house. She has a degree in engineering as well as teaching, a calling which she gave up some years ago for health reasons.

After 14 years on the job, Herr Kasper earns Marks 1,500 gross salary a month (£330 at the official rate) from which about 25 per cent. is deducted in income tax and social security and health insurance contributions. This is above the average tax level in the German Democratic Republic, but both husband and wife pay for a supplementary benefit giving them 75 per cent. of their income in the event of illness beyond the first six weeks during which full payment is made. Herr Kasper says his salary has remained virtually unchanged over the past six years, while average wages for industrial workers have gone up from Marks 665 to Marks 870 in the same period.

Frau Kasper earns Marks 910 for a 42 hour week, the same working hours as her husband's. He salary, too, has remained static since 1970 and she is seriously considering offers from industry, where she would immediately take home Marks 200 more a month. Under the revised wage system announced at the Socialist Unity party congress in May, both the Kaspers can expect some improvement of their remuneration. However, the five year plan to 1980 proposes an average 4.5 per cent. annual increase in the net income of the population, leaving it up to the authorities to decide who is to get the highest increases.

The Kaspers say that they are certain that industrial workers, particularly in key industries, will benefit the most while the "intelligensia," in which they include themselves, will get least. They recall that in recent years, as production rose by an annual 4 to 6 per cent., the wage contract of most workers in industry was not changed, but that their so-called "excess performance wage" paid for increasing productivity did rise by an even higher amount each year. Currently these excess performance earnings make up some 46 per cent. of the industrial workers' total pay. Teachers, scientists, medical personnel, and even foremen, however, continued to receive only the amount set down in their wage agreement.

The word intelligentsia has fallen into official disfavour in East Germany where it was long associated with a policy of special favours under East Germany's founding father, the late Herr Walter Ulbricht. Until the sealing of the border in 1961, Herr Ulbricht made sure that doctors, scientists, teachers and other members of the intelligentsia—in short, most people with a higher education—received special benefits in the form of higher income, extra pension plans, and special holiday and medical benefits. The purpose was to discourage these people from going to the West before the building of the Berlin Wall put a stop to their departure. The coddling of what was the new East German middle class nonetheless continued until the present party leader, Herr Erich Honecker, took over in May, 1971. One of his first measures was to turn over to the trade unions a number of new resort hotels built to cater to well-to-do East Germans and hard currency foreigners. Added impetus to improving the lot of the East German worker was given by uprisings of workers in neighbouring Poland during December 1970.

If the estimated 1.6m. members of the East German intelligentsia feel they have been neglected in recent years, they still do not do badly by East German standards.

The Kaspers live in a light and airy complex of apartment houses built ten years ago on the wooded, lake-studded perimeter of East Berlin. They paid Marks 4,500 to get on to the waiting list for the four-room flat with kitchen and bathroom which they still occupy. The apartment is far better than the average in East Berlin, having central heating and a large balcony. Herr Kasper's membership of the intelligentsia was decisive in obtaining the flat for which the couple pay only Marks 95 (£21) rent a month, plus some Marks 35 in gas and electricity bills. A family of three such as this normally would qualify for only a three-room flat at best, but Herr Kasper, as a scientist, is entitled to have an extra room as his study.

There are few frills in the Kasper household, and unlike most East German workers they do not even have one of the simple washing machines crammed into the bathroom. One luxury is a second television for their son, although both sets in the flat are second-hand, costing some Marks 900 each and repaired by an acquaintance who is an electronics engineer. He in turn received some otherwise hard to get electronics parts from Herr Kasper in one of the barter deals that ease the shortages and lack of repair [illegible] socialist countries. The [illegible] have a vacuum cleaner, [illegible] automatic coffee machine [illegible] a Czechoslovak friend, who [illegible] with them for two weeks [illegible] summer. Their pride and [illegible] is a refrigerator, large by [illegible] German standards, which [illegible] Marks 2,100. Herr Kasper [illegible] that the same model sells [illegible] DM440 at a large West [illegible] discount house. The Ka[illegible] own a tiny two-stroke [illegible] car for which they had [illegible] the full Marks 8,100 three [illegible] before it was delivered. [illegible] Kasper estimates that [illegible] half of her income goes [illegible] ning the car, with petrol [illegible] Marks 6 (£1.33) a gallon.

If durable consumer goods [illegible] clothing—a suit of non-[illegible] synthetic material for [illegible] Kasper costs upwards of [illegible] 350—makes the largest [illegible] their budget, food of the [illegible] variety is cheap by [illegible] standards. But the Kasper[illegible] that anything as our [illegible] ordinary as a can of [illegible] (selling at Marks 4) [illegible] Morocco or a bottle of [illegible] table wine (costing Marks [illegible]) a luxury.

The Kaspers do well [illegible] better than many East [illegible] workers, when they are [illegible] day, provided they remain [illegible] East Germany. Their two [illegible] camping holiday in a caravan [illegible] the Baltic Sea cost a grand [illegible] of Marks 42 in addition to [illegible] and travel.

Spurred on to wish for higher levels of consumption [illegible] their nightly viewing of [illegible] German television as well [illegible] contact with over [illegible] Germans who now visit [illegible] Germany each year, they [illegible] have decidedly middle [illegible] tastes and desires which [illegible] believe are unlikely to [illegible] filled for a long time. They [illegible] it more likely that East [illegible] workers are well on the [illegible] having their simpler wants [illegible] fied in coming years. [illegible] Kaspers say they would [illegible] Communist leadership to [illegible] the vast subsidies spent [illegible] prices of basic food, rent, [illegible] transport extremely low [illegible] cost of keeping very high [illegible] for many other products.

"After all," Herr [illegible] shrugs, "how many [illegible] potatoes do I have to eat?"

Free Democrats turn down Herr Kohl's offer

BY ADRIAN DICKS — BONN, October 6.

HERR Hans-Dietrich Genscher, leader of the West German Free Democratic Party (FPD), to-day turned down firmly the offer of a new Centre-Right coalition made by the Christian Democratic (CDU) leader, Herr Helmut Kohl. At the end of an hour-long meeting in Herr Genscher's office at the Foreign Ministry, the FPD issued a brief statement pointing out only that the Party committee had voted unanimously last night to continue the present coalition Government with the Social Democrats under Herr Helmut Schmidt. Herr Genscher went on to attend the first post-election meeting of the present cabinet, before flying to New York for the UN General Assembly.

At no point since the coalition's narrow re-election victory last Sunday had the FPD been expected to entertain seriously Herr Kohl's coalition offer. The CDU leader seems to have made it principally to underline the fact that his party is now the largest in the new Bundestag, and the biggest in terms of the 48.6 per cent. share it won of the popular vote.

Meanwhile, the FPD is once again being tempted by CDU coalition offers in two of the most finely-balanced state Governments, Lower Saxony and the Saarland.

If the FPD yields to any of these overtures, it might be able to make life easier for the Bonn coalition in the upper house, where the CDU's majority gives it a position too strong to be easily over-ridden by the SPD's and FPD's reduced strength in the lower house. The danger, however, would be great of confusing FPD voters about where the party's sympathies and loyalties really lie, given that it has now locked itself firmly to Herr Schmidt's fortunes once again.

Turkey draws up EEC policy

BY METIN MUNIR — ANKARA, Oct. 6.

TURKEY TO-DAY started drawing up its negotiation stand towards the Common Market with which its association agreement has entered a virtual deadlock over new concessions that Ankara is seeking and that Brussels has refused to grant.

The Interministerial Economic Council, which is a high level body of Cabinet Ministers and senior officials, met here to-day under Mr. Necmettin Erbakan, the Deputy Prime Minister.

The Turkey-EEC association council is scheduled to meet in Turkey on October 16. The council membership is made up of the Foreign Ministers of the Nine and that of Turkey and is the most senior organ of the association. There is a strong possibility, officials here say, that the meeting may not take place and even a stronger possibility that it will not be able to resolve the deadlock if it does.

The deadlock has arisen over new concessions Turkey sought for its agricultural products in EEC markets and free movement of its workers in the Community. These concessions are important for Turkey whose biggest two sources of hard cash are workers' remittances and agricultural export earnings.

Mr. Suleyman Demirel's right-wing coalition Government has rejected an EEC package on both these two and other matters as "unsatisfactory." The association council was originally scheduled to convene last July but was postponed because there was no hope of reaching a compromise settlement. The same situation is now valid, both Turkish and EEC officials here say.

Opening to-day's meeting Mr. Erbakan said that the agenda was "giving a new shape to Turkish-EEC relations." The chairman of the pro-Islamic National Salvation Party and an anti-Common Market man, Mr. Erbakan said that "emphasis has been placed on the fact that the present conditions are unacceptable to Turkey and it is imperative that changes are effected to adopt these conditions to the day."

The EEC is reluctant to grant more generous concessions to Turkey because both agricultural exports and workers are very sensitive issues, the first particularly with Italy and the second with Germany.

Official EEC and Turkish sources here do not expect that a compromise is likely to be reached soon and believe that Mr. Demirel will freeze Turkey's relations with the Community—that is to say stop implementing the tariff reductions and other measures which were drawn up to pave the way for Turkey's gradual integration with the EEC.

Sweden's small shops fading out

BY JOHN WALKER — STOCKHOLM, Oct. 6.

THE SMALL food retailer and local stores will disappear from Sweden during the next 10 years, according to a survey made by the Association of Convenience Food Suppliers.

Currently there are about 10,500 small food shops, and some 80 per cent. of them have an annual turnover of less than Kr.4m. (£55,000) yearly apiece. The market share of these shops has decreased from 51 per cent. to 34 per cent. during the past five years, and the same trend is forecast for the next two half-decades, the survey claims.

Small shops will disappear as they cannot compete with supermarkets, and by 1985 there will be only about 2,500 supermarkets in the whole country. One suggestion for halting the trend is for the Government to provide support. This, it is estimated, would cost about Kr.500m. (£66m.) yearly and would not be economical. The Swedish Food Traders' Association said that consumers would not accept there being only some 2,500 supermarkets in the whole country.

The delivery and transport side of the business is to present the Government with a study which will outline three types of aid for the industry, which it is hoped will stem the tide of closures. This includes aid for investment, aid for wages and support for home deliveries.

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OVERSEAS NEWS

New Syrian attack imminent say Lebanese factions

OUR OWN CORRESPONDENT BEIRUT, Oct. 6.

WING and Right-wing in Lebanon said to-day ticipate a new Syrian on Palestinian and g outposts in the mount st of the capital Beirut. wing sources said the expected before the pro-Arab summit conference er 18.

Progressive Socialist Left-wing leader Kamal t declared total mobilisa Left-held areas of and urged the people to firmly" any new Syrian t-wing attacks.

clared all those areas zones" and prohibited vement of civilians from hem unless they had per-om the security depart the party.

nove came only a week he successful offensive d by Right-wing forces, by Syrian troops, tanks and artillery, which ousted the Palestinians and their Left-wing allies from their mountain positions overlooking the Christian Right-wing stronghold of Kesrouan.

Syrian-Palestinian contacts have been going on since last week-end, but the outcome is not clear yet. Similar contacts have been underway between the Palestinians and Lebanon's New President Elias Sarkis, according to Arab League envoy Dr. Hassan Sabry Al Kholy.

Dr. Kholy met Mr. Sarkis to-day reportedly to arrange a meeting between him and PLO leader Yassir Arafat.

Meanwhile, few observers here believe the projected Arab Summit on Lebanon will take place at all. So far only eight out of the 21 Arab League members have agreed to attend. Syria and Lebanon have not taken a stand yet.

bron zealots are blamed

DANIEL JERUSALEM, Oct. 6.

S of eight Scrolls of the d other Jewish religious were buried at Hebron but the tensions which invasion by 200 Arab on Sunday of the Tomb narchs and the destruc the Scrolls remain unre

he one hand there are nationalistic feelings young Arabs; at the same even deeply religious s believe that some resi of the nearby religious ent of Kiryat Arba, lly its self-appointed reli leader Rabbi Levinger, me much to create tension adermine the prestige of aeli establishment in the f the Arabs.

he burial ceremony the tried to usurp the stage p up religious sentiments hough the miliary authori upervising the ceremony f the microphones, the Rabbi kept talking. About 2,000 people attended: they included religious Cabinet Ministers and also the Minister of Defence and the Chief of Staff.

The Israeli Government has been in a quandry all along. Its religious coalition partners, without whom Prime Minister Yitzhak Rabin's Labour Party would not have a majority in the House, have prevented the Government from taking more vigorous action against the zealots of Kiryat Arba.

Yesterday Defence Minister Shimon Peres in a Knesset committee meeting described the desecration of the synagogue as an atrocity, but made it plain that he considered Rabbi Levinger and his "Gush Emunim" movement as largely responsible for the deterioration in Hebron in recent weeks. "Gush Emunim has made itself detested in Israel by this conduct," Peres declared.

'an oil production record

ROBERT GRAHAM TEHRAN, Oct. 6.

KPILING AGAINST an pated oil price increase in nber and an upswing in the Western economies has d Iranian oil production in mber to a record level. uction averaged 6.4m. bpd st 4.9m. bpd at the begin of the year, equivalent to a 29 per cent. increase.

At the same time both liftings by the consortium companies and direct exports by the National Iranian Oil Company (NIOC) have moved sharply up to total 5.5m. bpd for September, a 33 per cent. increase on the January average.

Warning on Kenya succession move

By John Worrall NAIROBI, Oct. 6.

KENYA'S Attorney-General, Mr. Charles Njonjo, to-day gave a stern warning to those advocating an amendment to the constitutional clause whereby the Vice-President takes over for 90 days in the event of the President's death or retirement.

In a signed statement to-day Mr. Njonjo said whoever was involved would be doing so at his peril. "I would like to bring to the attention of those few who are being used to advocate the amendment that it is a criminal offence for any person to compass, imagine, devise or intend the death or the deposition of the President.

"Furthermore, it is also an offence to express, utter or declare such compassings, imaginations, devices or intentions by publishing them in print or writings."

The mandatory sentence for any such offence is death, he warned. Those aiding such offence are liable to imprisonment for life.

The demand for such an amendment was made at a public meeting recently attended by 20 MPs and three Ministers. The speaker was Mr. Kihika Kimani, MP for Nakuru, and according to a Nairobi Standard report two Ministers, Mr. Jackson Angaine and Mr. Paul Ngei urged Mr. Kimani to table a motion in Parliament. The Vice-President is Mr. Daniel Arap Moi.

Amin meeting with Britons

By Our Own Correspondent NAIROBI, Oct. 6.

BRITONS LIVING in Uganda are to meet President Idi Amin to-morrow to discuss a memorandum submitted to him by 143 members of the British colony. Announcing this to-day Uganda Radio said the President was pleased with the contents of the memorandum and it would be discussed fully at to-morrow's meeting.

Some 400 Britons are believed to remain in Uganda, many of them missionaries and teachers. Some British sources in Uganda said they had heard nothing about to-morrow's meeting with President Amin.

ON OTHER PAGES

Thai coup: a failure for democracy

BY STEWART DALBY

TO-DAY'S BLOODY coup in Thailand is looking suspiciously like a carefully stage managed affair worked out over a period of time by the country's military to regain power, rather than a rescue act by the navy leaders to stop the current sliding into widespread anarchy.

The coup comes almost three years after the military regime of Field Marshal Thanom Kittikachorn and Praprass Charusathien were overturned by massive student demonstrations and sent off to exile.

During that time the military have bided their time with obvious restiveness, while the civilians stumbled around trying a variety of democratic experiments. The civilian prime minister who has been overthrown by the coup, Mr. Seni Pramoj, 72, was briefly prime minister after the 1973 coup and then was succeeded by his wilier and younger brother, Kukrit Pimoj. With a multitude of fractious political parties in the National Assembly however, and with no clear majority for his own Social Justice party, Kukrit found it increasingly difficult to fend off representatives of the military stalking-horses in Parliament and in April this year, he gave way to Seni, whose Democrat Party held the largest number of seats but nothing like an overall majority.

Deposed Thai Prime Minister Seni Pramoj shows strain during a news conference.

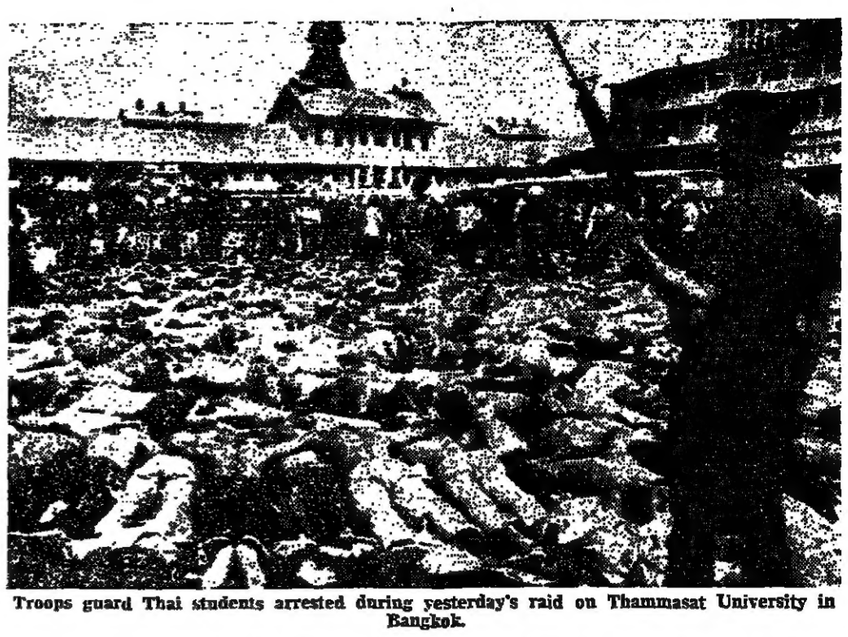
As both the Pramoj brothers perhaps inevitably preoccupied themselves with parliamentary tactics rather than tackling the country's pressing economic problems, it always seemed a strong possibility that the military, who with some very short interludes have held power since the abolition of the absolute monarchy in 1932, would try and regain power.

The sparking point for to-day's coup was ostensibly the return of Thanom Kittikachorn on September 19. The deposed Field Marshal, who had tried to return last year but was quickly bundled out returned, so it was said, to watch over his 91-year-old father who was dying. Thais, who were never colonised by Europeans and who are an essentially insular people, do not make easy expatriates. A few months ago, Prapass Charusathien, the number two in Thanom's Government, attempted to return from exile in Taiwan, but student demonstrations drove him out.

Despite the former dictators' evident need to live in their own country it was clear that their return could only cause trouble. To label Thai students who to-day as in the past were the catalyst either Right-wing or Left-wing is misleading in that Thai students are singularly non-ideological. There is no doubt however that their profound dissatisfaction with the corruption and inefficiency of the Thanom regime was the major reason for its overthrow in 1973.

The earlier returns of Thanom and Praparass precipitated unrest and it has clearly emerged that if there is one thing bound to get Left-wing or anti-military students out on the streets or barricaded in their universities it is the return of these symbols of corruption.

Thanom adopted the very clever strategy of going "saffron" or in other words shaving his head, donning a saffron robe and becoming a buddist monk. It is almost incumbent upon all Thai adults to become buddhist monks for at least three months at some time in their lives, to make merit for their elders or parents. Buddists believe in after life and making merit to provide for it.



Troops guard Thai students arrested during yesterday's raid on Thammasat University in Bangkok.

By going quickly into saffron and invoking the case of his sick father, Thanom put Prime Minister Seni on the spot. Seni, who is a kindly but indecisive man, dithered and allowed Thanom to stay. The demonstrations almost inevitably followed. The Left-wing students clashed violently to-day with so-called Right-wing students. This in itself is curious as there is no history at all of Right-wing student movements. The most conservative student group is the boy scouts, who have the king as their leader.

The swiftness with which the military acted yesterday and declared a national governing council suggests a certain amount of premeditation.

The questions left unanswered are exactly who are the real men behind the coup. Admiral Sa Ngad Chaloryoo, although the armed force commander-in-chief, is something of an unknown factor. Moreover, the navy has always been the poor cousins in the country's military set-up. In the succession of coups within the military which dominated the country's Governments until 1973, the navy invariably emerged with few of the spoils. First reactions seem to suggest that the coup has more widespread origins than a group of disgruntled naval officers and perhaps even include Thanom.

One major, unresolved question is what the King does. King Bhumibol is not simply respected in Thailand—he is revered. It was his manifest abhorrence of the violence of October 1973 which enabled democracy to have its trial, abortive though this trial may now appear to have been, and it was his influence which kept the military in check.

King Bhumibol is close to and has influence over the students and young people of his country, and has in the past let it be known that he was unhappy with the heavy-handed military administrations that have dominated his kingdom since the Second World War.

The King's role could be crucial to Thailand's stability in the immediate future. With the fall of Vietnam, Cambodia and Laos of Indo-China to Communist rule, and the withdrawal of the Americans who at one time had 48,000 airmen and support troops in Thailand, the kingdom has looked vulnerable.

One thing that can be predicted with relative certainty is that the military, whatever they try and do internally, will probably not alter the country's course in foreign policy. The country's military by temperment, training and background are basically pro-western, and despite the ejection of the Americans under Krukit's premiership thus will almost certainly continue their ties with the West.

IMF WORLD BANK MEETING

Concern about recovery in W. Germany, Japan

BY REGINALD DALE MANILA, Oct. 6.

UBTS over whether Japan Germany are doing enough keep their economic overies going are likely to expressed here to-morrow n the OECD's working ty three meet to review the ld economic situation. The n concern is over current estment levels.

a the Japanese case, experts worried that with the line in exports in the nd half of this year new estments are not expanding ugh to maintain the hither-argely export-led recovery. y are less worried about man exports, but are con-ted that capacity may be ficient if growth rates start dvance again next year.

here is much less concern e over prospects for the economy, although some ple doubt that inflation can kept down to 5 or 6 per cent t year as Mr. William on, the Treasury Secretary, ecast here this week. It is erally agreed, however, that the U.S. is succeeding in its approach of tough anti-inflation policies and moderate growth, without worrying too much about unemployment.

The principal aim of the working party at its meeting here, in the margin of the IMF/World Bank annual meeting, will be to assess whether the world recovery is faltering, given the much slower growth rates in the OECD area in the second half o fthis year. The group's members will want to convince themselves that the decline is not in danger of going too far.

Their main source of concern, however, is likely to be the continuing heavy payments deficits of the OECD countries foecast for next year. Even without an oil price increase, Mr. Simon put the 1977 OECD deficit at $35bn., against an OPEC surplus of $50bn. or more, and a deficit for the oil importing developing countries in the range of $12bn. to $15bn.

With the cumulative effect of several years of oil deficits and the U.K. and Italy still heavily in the red, experts here are worried that the deficit may become increasingly hard to finance. They point out that the planned OECD $23bn. support fund or "safety net" may well be needed to reassure bankers that loans are adequately backed. It is not so much a question of actually drawing on the fund, they say, as using it as a guarantee. Nevertheless it is clear that countries like the U.K. and Italy could theoretically draw on this 'last resort" line of defence once it comes into force. For this it needs ratification by the U.S. Congress, and this is not now expected before next March or April.

The terms of any drawing, however, would be extremely tough. Meanwhile, experts here say that while a 10 per cent. oil price increase could probably in itself be assimilated by the industrialised countries, there is a danger that it would lead to a renewed outburst of rising prices by provoking a return of "inflation psychology."

Dispute over World Bank role

BY OUR OWN CORRESPONDENT MANILA, Oct. 6.

AGREEMENT between rich poor countries over the e role of the World Bank become one of the central ues of the annual Bank/IMF ting here. The main argu-t of principle has been over ther the Bank should be pri-ily a development agency ing loans on easy terms, as poor countries would like, or ther it should operate more a commercial bank, as advo-d by the industrialised world. he U.S. is the main champion the strictly commercial roach. Mr. William Simon, U.S. Secretary of the asury, went as far this week o denounce any idea that aid poorer countries should be ight of as an "international fare programme" and said key thing was to promote ate investment in developing ntries on good capitalist lines. he U.S. is backed by most of other industrialised countries elieving that the Bank could a good deal of its credit-thiness and general operating lity if it relaxed its recently ntened lending criteria. To ent the developing countries' reach would be "short-nted," Sir Douglas Wass, permanent secretary to the Treasury, said yesterday.

The industrialised countries are split, however, on whether the Bank's capital should be increased to allow it to go above its present lending ceiling of $5.8bn., as the developing countries are demanding. The U.S. and Germany are against an increase, while most of the other Western countries are in favour —though nobody has yet publicly accepted the figure of $20bn., bringing total capital to around $60bn., that has been mentioned in Bank circles.

The so-called "middle income countries" (with annual GNP of over $200 a head) have expressed more specific criticisms of the way the Bank is now operating. The group of 20 Latin American countries yesterday complained that under-capitalisation was causing the Bank to diverge from its traditional development financing role in two conflicting directions.

On the one hand, resources were being channelled to concessional financing, mainly to benefit the poorest countries; on the other hand, normal lending terms were being hardened with the risk of turning the Bank into a "commercial institution."

"This is manifested in the differentiation in the repayment schedule for loans on the basis of the per capita income of the country instead of, as had been traditional, on the merits of the project itself, and in the hardening of interest rates and shortening of maturity periods for loan repayments," they said. Per caput income is often a dubious criterion, they argue.

Mr. David Coore, the Jamaican Deputy Premier and Finance Minister, took up the theme again to-day on behalf of the Caribbean countries. For many countries World Bank interest rates of almost 9 per cent. made its loans no more attractive than commercial loans, he said.

But the Caribbean countries' greatest concern was over the Bank's recently introduced stricter amortisation terms. "We have always felt that the greatest contribution that the World Bank could make as a development finance agency would be in providing long periods of repayment as compared with the terms available on the commercial markets. But the new financial policies of the Bank provide for a hardening both in the grace and final maturity periods of bank loans," he pointed out.

AMERICAN NEWS

GAO accuses Eximbank officials over $48m. loans

BY DAVID BELL — WASHINGTON, Oct. 6.

THE GENERAL Accounting Office, a Congressional watchdog agency, charged to-day that seven senior officials of the U.S. Export-Import Bank (Eximbank) have been involved in $48m. worth of loans and guarantees benefiting concerns in which they held a financial interest.

The officials were not named, but the GAO said they included one vice-president, two deputy vice-presidents and an international economist. Two months ago, the Justice Department filed a suit against the former head of the bank and a vice-president, charging them with making a combined $350,000 profit from a stock sale which would not have been possible if they had not held Government positions.

The GAO's report is part of an attempt to show that many U.S. regulatory agencies are in fact run by people who may have close contact with the organisations they are regulating, or may have financial interests in companies which they are supposed to be overseeing.

Mr. Warren Glick, Eximbank's chief counsel, said many of the holdings cited by the GAO report involved a relatively small number of shares in very large corporations. "This is a very tightly run agency as far as standards of conflict of interest," he said.

Bank rules prohibit an employee "from participating in any bank matter in which, to his knowledge, his spouse, his minor child, his partner or any organisation in which he is employed or negotiating to be employed has a financial interest." According to the report, seven bank officials appeared to have at least raised serious conflict of interest questions in 10 direct loans worth $39m. and a variety of other loans and guarantees."

NYSE may study Amex merger

BY STEWART FLEMING — WASHINGTON, Oct. 6.

THE BOARD of the New York Stock Exchange is planning to discuss whether to create a fact-finding committee to look into the implications of a merger with the American Stock Exchange at its Board meeting to-morrow.

A spokesman confirmed that the Big Board had the issue on its agenda. An American Stock Exchange spokesman said, however, that the creation of such a committee was not on the Amex Board's agenda but added: "There is an executive session before the Board meeting and it is possible that the subject could come up there."

Last year, after examining the question of a merger the Amex Board came down firmly against such a move. In recent weeks, however, there has been speculation that the two exchanges would look at the question again.

In part this reflects a growing awareness of the possible cost savings in areas such as regulation, accommodation and administration which might be made by a merger. Another factor is signs that the trading activities of the two exchanges are increasingly complementary and that a merger might help to promote the increased competition which the Securities and Exchange Commission is anxious to see in securities trading.

Earlier in the summer both exchanges abandoned their "New York City rules" in order to allow shares traded on the smaller American stock exchange to be traded on the New York Stock Exchange simultaneously when a company got a Big Board quote. Hitherto a share which moved its quotation from the Amex to the Big Board had to surrender its Amex quote.

The Amex has for some time been trading options in a number of Big Board stocks and it is widely believed that the Big Board itself would like to move into options trading—something which might be facilitated by a merger.

The Amex, moreover, is thought to be finding its accommodation an increasing constraint on its activities and to be considering constructing new offices.

In the background too is the legal requirement that securities dealing in the U.S. should move towards a national market system. There are some fears in New York that such a move would weaken the New York markets and one possible way to combat this would be to strengthen the New York exchanges through a merger.

Allied Chemicals fined $13m. in pollution case

BY OUR OWN CORRESPONDENT — WASHINGTON, Oct. 6.

ALLIED CHEMICAL, the eighth largest U.S. chemical company which earlier this year pleaded "No Contest" to 940 charges of knowingly polluting a major river in Virginia, has been fined a total of $13.8m. believed to be the largest fine ever imposed on an American company in a case of its kind.

The charges involved the dumping in the James River of waste from a company chemical plant in the state. The waste included high concentrations of Kepone, a highly toxic insecticide which rapidly found its way downstream for many miles. Judge Robert Merhige, who last week acquitted the company of a conspiracy charge connected with this pollution, told the court when passing sentence that "I hope that after this sentencing every corporate officer will think: 'If I don't do anything about this pollution I will be out of a job'."

The Environmental Protection Agency (EPA) said to-day that until last night the largest fine ever levied on a U.S. company for a similar breach of the law was a series of fines totalling $7m. on the Ford Motor Company for not meeting emission control regulations. The judge said that he might lift part of the fine imposed on Allied if the company was prepared to shoulder some of the cost of decontaminating the James River which has been closed to fishing because of the insecticide.

A $3.8m. fine was also imposed on the two owners of Life Science Products Company, a small company which took over the manufacture of Kepone from Allied in 1974 and made it for 18 months before doctors began to discover that employees were suffering serious ill effects from working in the plant, which was housed into a converted filling station. At least 29 workers have since been hospitalised with tremors, loss of memory, slurred speech, loss of weight, erratic eye movements and liver damage. The plant has been demolished.

Mexico to receive Euroloan

A group of 18 international banks is arranging a $800m. Eurodollar loan for Mexico to help finance the country's severe balance of payments deficit expected to exceed $3.5bn. this year. The Eurodollar loan follows bridging finance of $660m. from the U.S. Treasury and an extended IMF facility of $1.2bn. As part of its programme to adjust its external payments, Mexico has devalued the peso by 37 per cent. against the U.S. dollar and a package of post-devaluation austerity measures are expected to be announced after the new President, Jose Lopez Portillo takes office on December 1. See Page 26.

Canada car prices

Canadian car buyers faced no price increases when the 1977 cars went on sale at the beginning of October, writes our Toronto correspondent. The Anti-Inflation Board told General Motors of Canada that increases would place it in an excess profit position. Ford dropped planned rises to remain competitive. Chrysler has not yet reached a decision.

Underwater 'glide'

The U.S. Navy is investigating the possibility that the F-14 Tomcat that rolled off the carrier John F. Kennedy and sank on September 14 may have glided out of the search area, a spokesman for the Navy said yesterday, UPI reports from Norfolk, Virginia. A spokesman said that the fleet tug Shakori was to return yesterday to the area 90 miles off the coast of Scotland where the valuable aircraft sank. "No studies have been made on the gliding characteristics of the Tomcat through water," he said.

Ulster women's plea

Leaders of Northern Ireland's women's peace movement yesterday asked Americans to stop contributing money to Irish causes because it only added to the violence, Reuter reports from New York. One of them, Mrs. Betty Williams, added: "We'll see the most atrocious acts of violence in Northern Ireland and against women. I fully expect that."

Texas cotton harvest

NEW YORK, Oct. 6.

THE COTTON harvest in the South Central, Blacklands and East Texas regions has been slowed by rain in the past week, industry sources said.

The National Weather Service reported 4.5 inches of rain fell in six hours near Killeen. 2.32 inches fell near Waco and 1.86 inches near San Antonio.

Cotton sources in the area said the rains may have affected the quantity of the crop.

Reuter

Carter and Ford chase the prize of California

BY JUREK MARTIN, U.S. EDITOR — SAN FRANCISCO, Oct. 6.

THE PRESIDENTIAL election in California is a contest between losers. Both Gerald Ford and Jimmy Carter were crushed in the party primaries in June by Ronald Reagan and Jerry Brown respectively and neither has subsequently succeeded in raising his stock out here. Yet California, the biggest state in the union, is a prize they cannot ignore—45 votes in the Electoral College of the 270 a candidate needs to be elected.

The Ford camp believe that if California is lost then so is the nation; in their view, substantiated by private polls, the race is currently a toss up. For Mr. Carter, victory in California would, assuming he holds on to his Southern and Border base, leave him only about 70 Electoral College votes short of the White House and 35 states in which to pick them up; his polls give him the edge here. Independent surveys have oscillated wildly in recent weeks. The latest Californian poll produced by Mr. Mervyn Field out this morning gives Mr. Carter a six-point edge, though in the middle of August before the Republican Convention, he was 20 points to the good.

Since the character of the two candidates creates so little enthusiasm in a state which has always had a weakness for the glamorous or the different, subsidiary factors may well determine who wins California a month from now. Not the least of these is the extent to which the two favourite son governors, Reagan and Brown, bestir themselves on behalf of the men who beat them for their party's nomination.

Mr. Reagan has played very hard to get since Kansas City. Tired and disappointed, he brushed aside the stream of Republican emissaries sent out from Washington. But now, Mr. Ford's staff believes he is ready to go to work and, as important, to lend the strength of his organisation in the state to the President. The proof of this remains to be seen. Mr. Reagan has spoken on behalf of other Republican candidates around the country in the last couple of weeks but he hardly ever mentions the name of Gerald Ford. He will presumably not be so coy in California and one can be sure that Mr. Ford's praise of him in the state will know no bounds, but whether the effusive camaraderie that will be put on public display will be sufficient to persuade a conservative constituency that still longs for Ronald Reagan to vote for Gerald Ford is another matter.

LADBROKES report that they have received considerable backing for Gerald Ford to win the Presidential election. During the past week odds on him have shortened from 7-4 to 11-8. Jimmy Carter's odds have eased to 1-2 from 2-5.

The same reservations apply to Governor Brown. Republicans like to say that Mr. Brown wants Mr. Carter to lose this year and leave the Democratic Party (and, since he thinks in cosmic terms, the nation and the world), free for the Brown takeover four years from now. The trouble is that, as with Winnie the Pooh's bees, you never can tell with Brown. He accompanies Mr. Carter whenever he is in the State, he obviously helped arrange what may be the critical endorsement of Mr. Carter by Cesar Chevez, the Chicano leader, and seems on the surface to be assisting in every way he should. He has even described Mr. Carter as "intelligent" which, in the Brown lexicon, is about as complimentary as you can get.

By common consent, the Carter campaign here has been little short of disastrous so far and Mr. Brown has done little to stop its deterioration. This is Mr. Carer's third trip here in the last few weeks (it is Mr. Ford's first) and the previous two have been marred by a bad selection of public events, poor advance work and inadequate audiences.

Watergate becoming major issue

BY OUR OWN CORRESPONDENT — WASHINGTON, Oct. 6.

DESPITE PROMISES by both parties that they would strive to keep Watergate out of this election campaign it now seems increasingly likely that the whole affair is indeed going to become a major issue in its closing weeks.

Clearly recognising the danger for the Republicans of a concerted Democratic attack on the issue, Senator Robert Dole, President Ford's running mate, responded swiftly last night to accusations that both he and Mr. Ford had done their best to stifle investigations of the Watergate affair.

Mr. Dole accused the Democrats of trying to resurrect the issue because they were now in real danger of losing the election. "They are slipping. We are dead even now and that is a far cry from the 32 point lead they had not too long ago. Their campaign is in a slump," he told reporters last night.

The Senator's reaction followed the most pointed attack yet on the involvement of both Mr. Ford and Mr. Dole in attempts to thwart the various Watergate inquiries both before and after the 1972 election by Sen. Walter Mondale, the Democratic vice-presidential candidate. He had cleared his speech with Mr. Carter and took care not to accuse Mr. Ford of any responsibility for the "abuses of the Watergate years," but he charged that the pardon of Mr. Nixon had "made a mockery of the notion that in America there is no sovereign who stands above the law."

This speech, and a careful article written in yesterday's Washington Post, which raised new doubts about Mr. Ford's account of his connection with the successful Republican attempt to block a Watergate inquiry before the 1972 election, seems likely to bring Mr. Ford's handling of Watergate back into the centre of the stage. The fact that the Watergate special prosecutor is still conducting a rather mysterious investigation of Mr. Ford is hardly likely to help the Republicans in their attempts to prevent this, however innocent Mr. Ford may be of whatever charges are being pursued.

In outlining Mr. Ford's attitude to Watergate, Mr. Mondale noted, for instance, that in 1974 Mr. Ford described the House judiciary committee's impeachment proceedings as a "travesty" even though most Congressmen thought them among the fairest public hearings in the history of the republic.

VW will start six months late in U.S

By Jay Palmer

NEW YORK, Oct. 6.

VOLKSWAGEN will not be able to start building cars in the U.S. until the spring of 1978, a full six months later than its original start-up date because of unforseen delays in completing the purchase of the former Chrysler plant in New Stanton, Pennsylvania.

Noting the West German car-maker's delayed U.S. production timetable, Mr. Schmuecher, VW's management Board chairman, revealed that the company had encountered some problems with its initial plans for building U.S.-made parts for the cars it plans to build.

As a result, Mr. Schmuecher told a U.S. news conference VW will shortly have to decide whether or not to increase its already large U.S. investment of between $200m. and $300m. The company is thinking of either building from scratch or buying an already operating U.S. metal-stamping plant.

At the official ceremony held to commemorate the formal takeover of the New Stanton plant, Mr. Schmuecher forecast that the plant would reach its full production capacity of 200,000 cars a year by 1980 or 1981." He predicted that "with these cars, VW will regain at least 5 per cent of the total U.S. car market."

Talking about the short delay in production, Mr. Schmuecher said that VW had hoped to complete its agreement to buy the plant by July but that negotiations dragged on and were only very recently completed. He added that work on this vast facility, which is still little more than a dirt floor covered with a shell, will begin within 30 days.

Mr. Schmuecher and Mr. James McLeron, the recently appointed president of Volkswagen Manufacturing of America, both confirmed that VW had been thinking seriously of buying stampings for its cars from either Chrysler or American Motors.

However, Mr. McLeron noted that such a deal was now very unlikely. "While the U.S. market as strong as it is, Chrysler simply does not have the stamping capacity to supply us," he said. Although stressing that no decision had yet been reached, Mr. Schmuecher emphasised that VW was "quite serious about setting up its own stamping operations."

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WORLD TRADE NEWS

Chrysler may manufacture Mitsubishi cars in Europe

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Oct. 6.

MITSUBISHI Motor will be sending a mission to Europe later this year to discuss with the European affiliates of Chrysler the possibility that Mitsubishi cars may be manufactured at their plants. This was confirmed today by the company.

Mitsubishi is 15 per cent. owned by Chrysler and uses the Chrysler distribution network to sell its cars in the U.S. Until very recently there has been little contact between Mitsubishi and the European affiliates of Chrysler, but a mission of representatives from Chrysler (U.K.), Chrysler (France) with the delegates from the head office in Detroit, came to Tokyo last month to discuss closer Euro-Asian ties.

The mission visited Mitsubishi's plant and information was exchanged about future production planning. It was agreed that Mitsubishi would make a return visit to Europe before the end of the year to discuss concrete proposals for collaboration.

Mitsubishi's car exports to Europe passed the 5,000 mark last month, after totalling only 13,000 in the whole of 1975. The company is currently shipping three models to Europe, the Lancer, Galant and Celeste. If it does decide to start manufacturing through one or both of the Chrysler European affiliates, the model chosen would probably be one of these, but there would be modifications to suit European tastes. Mitsubishi's cars are four door models, but it is felt that a two-door version might be more suitable for European manufacture.

Mitsubishi at present has its own European distribution network and does not use Chrysler dealers as it does in the U.S. The possibility of a switch to the Chrysler network is being considered but Mitsubishi stresses that "we will have to take care of our present dealers."

● The Japanese Transport Ministry said it will shortly send three officials to EEC countries to improve the system of issuing model certificates for European cars to Japan. This is in compliance with an agreement reached between the EEC and Japan last May to move towards the testing of cars in Europe to facilitate European car sales to Japan, the Ministry said.

JAL threat to annul U.S. pact

BY DOUGLAS RAMSEY

TOKYO, Oct. 6.

MR. SHIZUO ASADA, president of Japan Airlines, suggested this week that Japan annul its civil aviation agreement with the U.S. if it is not re-created in Japan's favour.

Mr. Asada's statement was the opening salvo of the trans-Pacific air war which promises to become a major issue in Japan-U.S. relations. It was also a sub-text of last week's conversations between Foreign Minister Zenpiro Kosaka and Dr. Henry Kissinger, the U.S. Secretary of State, in New York, and to judge from each side's reluctance to give way in the first three days of talks here on revising the 1952 agreement, the matter will probably have to be referred back to Foreign Ministers for a final solution. That could take months, maybe years.

The annulment threat by Mr. Asada in a television interview is not Government policy, but it carries weight. JAL is Japan's only international carrier, and is 44.6 per cent. owned by the Government. The company stands to gain a lot if the Japanese negotiating team obtains for Japan the target 50 per cent. of trans-Pacific air traffic.

At present, JAL has 31 per cent. of the capacity on these routes, although over 60 per cent. of trans-Pacific passengers are Japanese nationals. The two U.S. passenger airlines, Northwest Orient and Pan American, boasted 56 per cent. of capacity in 1975, though American nationals accounted for not more than 30 per cent. of passengers.

Japan hopes to get its fair share of the market without taking recourse to annulment of the civil aviation agreement. This is a much more cautious attitude than Britain's — London gave notice on its treaty with the U.S in June. But officials do not rule out such a move if U.S. agreement is not forthcoming on the three main demands of Japan's Civil Aviation Bureau.

1—Giving JAL rights to fly into and out of more U.S. cities, in particular Chicago and Houston. At present JAL can service seven destinations in the U.S., against 19 possible points of departure for American airlines.

2—Letting JAL pick up passengers and cargo in the U.S. en route to Central and South America. To-day Japan can fly into and out of Los Angeles on these routes, but without picking up passengers. The U.S. airlines, on the other hand, have unlimited rights beyond Tokyo in Asia, and can pick up passengers here.

3—Agreeing to a 50-50 passenger sharing arrangement between JAL and only one U.S carrier on each of the trans-Pacific routes.

American sources in Tokyo, for their part, preclude giving in on the third Japanese demand which would be tantamount to acquiescing as well to Britain's bid for a similar sort of pact to replace the "Bermuda type" agreements on which most U.S. bilateral air treaties have been based since the war.

U.S. negotiators, meanwhile, have launched their own attack against Japan from the outset of these talks, with a demand that more charters be allowed to fly trans-Pacific routes. This has been made a sine qua non of a softer American position on Japan's demands.

Strong attack by CBI on possible import deposit scheme

BY OUR INDUSTRIAL STAFF

AN IMPORT deposit scheme of the same type seen in 1968-70 could tie up £2.1bn. of company money, equivalent to 17 per cent. of the total liquid assets of industrialised and commercial companies at the end of June, the Confederation of British Industry claimed yesterday.

Moreover, the CBI said, those assets would then be frozen at a time when corporate liquidity was stagnating and companies' working capital requirement increasing because of some rise in the level of activity and higher prices for bought-in materials.

The Confederation's comments came a day after it appeared that the joint CBI-TUC initiative on selective import controls had stalled. In the face of doubts within the CBI and a lack of enthusiasm in Government.

Its assault on any suggestion of import deposits saw action on a second front yesterday when Mr. John Methven, the CBI director-general, emphasised in Belfast that the Confederation vigorously opposed the introduction of any such scheme because of the adverse effect it could have on company finances.

"An import deposit scheme would tie up some of industry's badly needed working capital. Recent figures show that the rebuild of real company profits from their rock-bottom levels of 1974 and 1975 is not growing as quickly as we had hoped and that the liquidity position of companies, while adequate for immediate needs, is not showing the strengthening which is required to provide a sound springboard for the increased investment in plant and stocks which we all want to see," he added.

Speaking at the annual lunch of the Council of the CBI in Northern Ireland, Mr. Methven insisted that an import deposit scheme would be seen by industry "in the same light as the thoroughly ill-considered increase of 23 per cent. in employers' national Insurance contributions due to come into force in April, 1977 and imposed in such a hurry last July."

Dutch go it alone

FINANCIAL TIMES REPORTER

BRITAIN'S EXPORT Credits Guarantee Department (ECGD) is watching the situation in South Africa very carefully and looking closely at the level of British commitments on export credits there. But, the department said, Britain is not about to emulate the Dutch decision to withdraw state credit insurance for large orders to South Africa.

The Dutch employers' organisation, while expressing "understanding" for the Cabinet's move, has criticised remarks made by Socialist Premier Joop den Uyl who claimed that the action was also meant to put pressure on the South African Government following developments in Soweto.

It also regretted that the Dutch Government had taken unilateral action without prior consultation with the EEC Commission in Brussels. And so far there are no signs that any other members are likely to follow suit.

MIDEAST TRADE ROUTES

Transit permits pose problems

BRITISH ROAD hauliers are experiencing difficulties on overland routes to the Middle East due to the shortage of transit permits issued by the various countries en route. The Hungarians have stopped issuing permits, while both the Austrian and Italian permit allocations, it is argued, are far too low.

Imbalance

The road haulage industry has therefore been urging the British Government to negotiate an increase in permits with the countries concerned. As a result the Government has succeeded in reopening negotiations with Hungary for next year and in the meantime has secured a limited number of permits for this year.

The main problem in negotiating increased allocations is that such agreements are bilateral, with Britain tending to gain more than it can offer—for obvious geographical reasons Britain is less popular as an international transit route. It is this imbalance which is hindering negotiations with key countries such as Hungary, Austria and Italy. The problem is less acute with countries like France which use many more British transit permits.

Dominick Coyle in Rome explains: The movement of freight between Britain and Italy is governed by a bilateral arrangement negotiated more than five years ago, and just now the British side is hoping for an early meeting of transport ministers to update its provisions, including the possibility of increasing the number of permits.

Present arrangements tend to operate greatly to the benefit of Britain, although only because U.K freight forwarding agents have the lion's share of the bilateral business. However, the Italian authorities insist that an equal number of permits should be on issue on both sides. The fact is, however, that Italian carriers are never able to utilise their full quota.

The existing overall arrangement, which also covers transit permits, has been adjusted slightly from time to time—always on an initiative by the British side. Indeed, the main opposition to an increase in the British quota comes from the Italian state railways, who argue that more freight would be directed to them if a tighter control was exercised over the allocation to the U.K. of freight forwarding permits.

The inability of Italian companies to utilise their bilateral quota stems in the main from a "lack of experience." One British source in Rome commented: "As an island country, we have great experience in not only carrying freight across land but also over water, and this is the type of experience and service which Italian companies want."

The Italian authorities have also had considerable difficulties with the French Government in securing an adequacy of transit permits for traffic to the U.K., whereas, incidentally, Britain has not experienced similar problems. Accordingly, this has meant that there is little pressure from the Italian side to increase quotas overall, thus facilitating an increase of British allocation.

The U.K. has a need for a larger quota of permits, taking in all categories of freight transportation, and indeed a further round of bilateral talks might have opened before now but for the intervention of the Italian general election last June. New men now have direct ministerial responsibility in this area in both countries, and the British side is optimistic that a new bilateral exchange can get under way before the end of this year.

The fundamental problem remains, however, that while Italy's operational need is much less, the Rome Government is not expected to depart from the principle that an equal quota of permits should be available to the two countries. Thus, any increase secured for Britain would have to be matched by an unused surplus on the Italian side and, apart altogether from the continued opposition from the Italian state railways, there are also important implications in terms of disproportionate foreign exchange earnings to one side under what is intended to be a bilateral arrangement.

Paul Lendvai adds from Vienna: Austrian permit allocations for British road hauliers are so much higher than the number of British permits issued to Austrian hauliers that an increase of the present quotas is highly unlikely in the foreseeable future, according to a spokesman of the Austrian road haulage industry.

Too heavy

Last year, for example, British hauliers received an allocation of 3,800 permits from the Austrians while the actual number issued was well over the official quota. Yet the Austrians were given only 714 permits by U.K authorities. This imbalance, in turn, is partly due to the fact that most Austrian lorries at 38 tons are too heavy in respect of the British weight regulations for hauliers.

The quota for permits was fixed at 3,400 for this year (including 420 transit permits). At the last round of Austro-British negotiations last month it was agreed to allow a quota of 3,400 permits for 1977 for British hauliers, in addition to 700 permits for using a road/rail link from Cologne or Munich in Germany through Austria to Ljubljana, Yugoslavia. Austrian hauliers say they hope that allocations will be more balanced if the British authorities will show the same degree of flexibility when handling Austrian requests as they do with those of French hauliers so that allocations can be more balanced.

HOME NEWS

Kaufman seeks collaboration deals for new aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DISCUSSIONS on the possible long-term development of a second-generation supersonic airliner to follow Concorde will be held in London early next month between Mr. Gerald Kaufman, Minister for Aerospace in the Department of Industry, and M. Marcel Cavaillé, French Transport Minister.

These talks will range widely over the future of international collaboration between the U.K. and France on civil aircraft production, and particularly on the possibilities of European joint development of new medium-range subsonic airliners for the 1980s and beyond.

They will be part of a continuing dialogue between Mr. Kaufman and his counterparts in Western Europe, following his recent visit to the U.S., where he discussed the possibility of collaboration with the chiefs of Boeing, Lockheed and McDonnell Douglas.

Imminent talks

Mr. Kaufman is due to meet his Dutch and West German opposite numbers before the end of this month, while there are also imminent further discussions with U.S. manufacturers to determine Britain's new civil aircraft programmes.

A Lockheed team, for example, is due in London soon to discuss the possibility of collaboration on a medium-range, twin-engined version of the Tri-Star, called the Twin-Star, while McDonnell Douglas, of Long Beach, California, has called a meeting on October 21 to discuss possible joint development of a 160-180-seat medium-range airliner. A senior Department of Industry official will fly to California.

Discussing his recent visit to the U.S. and Japan, where he had talks on future civil aircraft programmes, Mr. Kaufman yesterday made it clear that all the options remained open.

He would be prepared to see collaboration with both Europe and the U.S. on a number of different programmes, in various areas of civil aviation, provided they gave the U.K. both work and solid commercial returns.

"We are not going into this for either political or prestige reasons," he said, "but for money, for commercial returns. If we can get a package across the whole spectrum of civil aviation, then we will be happy to do it."

On the second-generation, Advanced Supersonic Transport, he explained that the thinking was at the earliest possible stage. Both he and M. Cavaillé would discuss commissioning a "paper study" of the prospects of such an aircraft, to form the basis of further deliberations.

Such an aeroplane, he thought, if ever developed, would cost less than Concorde (which has cost the U.K. and France some £1.2bn. since 1962), but it was necessary to keep supersonic civil aviation technology alive.

During his talks in the U.S., McDonnell Douglas had shown considerable interest in participating, and this was one topic he would discuss with M. Cavaillé.

Such an aeroplane would need to be bigger than Concorde, with greater range, and less noise, but there seemed to be no insuperable technological reason why it could not be developed.

The more important task to be tackled, however, was the short-to-medium range civil airliner market, where some $46bn. worth of aircraft would be sold over the next ten to 15 years.

There were three areas involved—a 200-220 seater, a 160-180 seater, and an 100-plus seater. In all three there were several options open to the U.K. The U.S. manufacturers, Boeing, Lockheed and McDonnell Douglas, all wanted the U.K. as partners.

"I am not closing my mind to any possibilities of collaboration anywhere," said Mr. Kaufman, adding that he would be prepared to see the U.K. working with both Europe and the U.S. on different programmes.

He emphasised, however, that: "We ought to begin working out a package some time over the next few months, and we shall be discussing this in detail with Lord Beswick and the British Aerospace Corporation."

Mr. Kaufman stressed that in his view, all these possible developments depended entirely on the Bill for the nationalisation of the aerospace industry's becoming law. "This is the basis for the whole future civil aerospace development in this country," he affirmed.

● Concorde is to make a major Far East sales and demonstration tour early next month, taking in Singapore, Manila, Jakarta, Hong Kong and Seoul. The tour will coincide with the International Air Transport Association's annual meeting in Singapore, from November 8 to 11.

The aim is to try to drum up sales for the aircraft among the so far uncommitted airlines of the Far East and South-East Asia. Out of 16 production aircraft authorised, nine have been sold to British Airways and Air France.

Unions meet top shipyards committee

By John Wyles, Shipping Correspondent

TOP LEVEL talks on the future of Britain's crisis-stricken shipbuilding industry were held in York last night between union leaders and the entire nine-man organising committee of British Shipbuilders which will run the industry after nationalisation.

Last night's discussions were the first formal contact between the two sides since the annual Trades Union Congress passed a resolution opposing shipbuilding redundancies last month. This is regarded as totally unrealistic by the organising committee which is vigorously backing up the shipbuilding companies' current efforts to find more business in the shrinking world market.

Mr. Graham Day, chief executive-designate of British Shipbuilders, and Mr. Ross Belch, managing director of Scott Lithgow and a part-time member of the organising committee, have both stated publicly within the last month that world trends could at worst reduce demand from British shipyards by two-thirds.

The members of the organising committee travelled to York at the invitation of the Confederation of Shipbuilding and Engineering Unions ship building committee. Contacts between the two were regular until June when Mr. Eric Varley, the Industry Secretary, set up a tripartite committee to investigate the orders crisis in depth.

CSEU leaders have been involved in this work and, despite the TUC's resolution, it appeared last night that some union leaders are now willing to acknowledge privately that employment cuts may be inevitable.

Several yards will have difficulty staving off redundancies over the next six months and, in the face of this looming threat, the unions are expected to press the Government to take steps to attract more orders.

State role in North Sea worries Exxon

BY RAY DAFTER, ENERGY CORRESPONDENT IN NEW YORK

EXXON, the world's biggest oil corporation and one of the major operators in the North Sea, still appears uneasy about the terms being offered for State participation in U.K. offshore oil development. This is one salient point to have emerged during a week in which the Government made some further progress in its negotiations with the U.S. oil companies.

For, although Dr. Dickson Mabon, Minister of State for Energy, has had fruitful discussions with senior executives of Mobil and Texaco during his visit to the U.S., he was unable to make appreciable headway with Board members of Exxon.

No comment has been made by either the oil companies or the Department of Energy, but it appears that Exxon—like its North Sea partner Shell—is still unhappy about the role that the State-controlled British National Oil Corporation will play in the direction and disposal of the oil groups' participation.

Unimpressed

Both the major groups are anxious to maintain the security of feedstock for their U.K. and overseas activities.

While it is probable that Dr. Mabon reminded Exxon that meaningful progress towards participation would be a principal consideration by the Government in the next round of offshore allocations, the oil group, for its part, appears to have indicated that it is unimpressed by the blocks being offered in the fifth round.

In some ways this is borne out by the fact that only 50 of the 71 blocks and part-blocks are being sought by the industry, although Mr. Anthony Wedgwood Benn, the Energy Secretary, has said he finds this response encouraging. The Department of Energy announced this week that 133 companies are seeking concessions. It is now believed, however, that most of the serious interest is centred on a handful of blocks.

Priorities

Shell and Exxon still remain the major groups to agree to participation in principle although British Petroleum has yet to approve the final details of its outline agreement.

Both Mobil, which is operator for the Beryl Field, and Texaco, which has interests in the Argyll and Tartan Fields, are lower down on the Government's list of participation priorities although the talks here in the past few days are believed to have gone some way towards establishing further the good relations between the Energy Department and the companies.

In the meantime, Dr. Mabon has now flown to Alaska to visit the 800-mile oil pipeline from the Prudhoe Bay oilfield in which British Petroleum and Exxon have major interests.

Inquiry may delay nuclear plant plan

By David Fishlock, Science Editor

A TWO-YEAR DELAY in starting the £750m. reconstruction of the Windscale factory of British Nuclear Fuels in Cumbria is foreseen by the company if Mr. Peter Shore, the Environment Secretary, acceeds to pressure from environmental groups and calls in its planning application pending a public inquiry.

Such a delay would have far-reaching consequences for the electricity industry in the U.K., as well as for Britain's expectations of substantial overseas earnings during the 1980s from nuclear fuel exports.

The company believes that this is the underlying reason why opponents of its plans have apparently withdrawn their objections to some aspects of the reconstruction — following the Royal Commission's recent report on nuclear power — and are now concentrating on persuading the Environment Secretary to hold a public inquiry.

Such an inquiry, a decision on which is thought to be imminent, would delay all aspects of the Windscale reconstruction.

The most immediate impact of any protracted delay would be on prospects for expanding the business in reprocessing spent nuclear fuel for customers overseas. With the arrival in Britain this week of 15 top representatives of Japanese electrical utilities, BNFL belives it is in the final stages of negotiations —in partnership with the French — for a contract worth about £400m.

Britain has already been obliged to share this contract with the French as a consequence of U.K. Government hesitation at a late stage in a previous round of negotiations. As a result, although the Cabinet finally gave its approval to the company's activities earlier this year, the Japanese contract has had to be renegotiated from scratch, with with the French meeting half of each Japanese utility's reprocessing requirements.

Pollution

BNFL has now received a further endorsement of its plans for the Windscale factory from the Royal Commission on Environmental Pollution. Sir Brian Flowers, under whose chairmanship the report was produced, sent a message to the public meeting called by the Cumbria County Council in Whitehaven last week saying he believed that BNFL "should proceed as quickly as possible to provide satisfactory facilities covered by the present application—that is, in the renovating of Magnox reprocessing facilities; development of the Harvest classification technique as a very important step towards the long-term disposal of radio-active wastes; the provision of oxide reprocessing plant for the domestic programme and export; the appropriate support site services."

These are the four basic features of BNFL's application for planning permission. But they are inseparable, the company says, in what it envisages as an integrated redevelopment of one of Britain's oldest nuclear factories.

Thus any delay could have repercussions for the domestic nuclear power programme, since an integral part of the reconstruction is a large expansion of storage capacity for spent nuclear fuel awaiting reprocessing. Shortage of storage capacity has already obliged the company to shut down one of its Calder Hall reactors and use the reactor itself as a store.

If Britain's commercial reactors—currently accounting for about 6 per cent. of installed electrical capacity but about 11 per cent. of units sent out—had to be used in this way, the net result would be an increase in electricity costs, since nuclear electricity is about one-third cheaper than that from coal.

In two weeks' time Cumbria County Council is expected to consider BNFL's proposal in light of the last week's public meeting and the advice of Prof. J. H. Fremlin—a radiobiologist from the University of Birmingham called in as its independent adviser on environmental issues.

The company's case against a public inquiry rests on the fact that it is proposing to develop an existing site, using established processes, and is following pro-

Hauliers want lorry load limits increased

By Ian Hargreaves

URGENT REVISION of maximum lorry weights is being sought by the Road Haulage Association, which says the present regulations are putting British hauliers at a disadvantage when operating abroad.

In an appeal to Mr. William Rodgers, the new Transport Secretary, the association asks that vehicles at present limited to a maximum gross weight of 32 tons be allowed to carry a payload of 20 tonnes (about 19¾ tons) while keeping to the present axle weight limit of 10 tons.

This would enable the articulated lorries affected to increase their carrying capacity by an average of about 10 per cent.

The association is not abandoning its long-term goal of a maximum permitted weight of 40 tonnes, an axle weight of 11 tonnes and a maximum length for articulated vehicles of 15.5 metres. But it says, it feels that after 10 years of fruitless campaigning for these limits, it ought to press for interim changes which the Government may feel more realistic.

Present regulations were putting British hauliers at a severe competitive disadvantage when they sent their vehicles abroad, the association said. "Any increase in permitted payload means an increase in productivity and possibly some reduction in congestion since fewer vehicles would be needed to carry the goods."

Annoying

Particularly annoying to haulage operators is the fact that the present 32-ton limit is harshest on the more expensive lorries designed to carry bigger payloads in safety. Many modern tractor-trailer units weigh over 14 tons, which allows for a top payload of only 18 tons under present regulations.

There is no doubt that foreign haulage operators with customers in the U.K. would also be relieved to see British weight limits brought closer to those in the rest of Europe.

According to figures released earlier this year by the Kent consumer protection office, weigh-checks on 404 foreign lorries during the first six months of this year showed that 43 per cent. were overloaded. In the same period, 1,343 checks were made on British lorries, with an offence rate of 31.5 per cent.

The financial gain by operators who are able to overload by four or five tons per vehicle is considerable and pressure is now coming from authorities such as Kent County Council for tougher penalties on those who break the weight laws.

The Road Haulage Association estimates that about 30,000 British lorries—articulated vehicles with trailers and having two or more axles—are in the class subject to the 32-ton limit.

House building industry urges higher mortgage rate

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A PLEA to building societies to raise the mortgage rate has come from the house building industry.

To-morrow, the Council of the Building Societies Association meets to consider a rates increase.

Yesterday, Mr. Charles Mitchell, president of the House Builders Federation, said that a higher rate for home loans was essential if house building output was to be maintained at a reasonable level.

"Regrettable as any rise in the cost of housing must be, it is far more important to have the building society mortgage rate, and consequently, the interest rate to savers, set at a level which will ensure an adequate flow of savings into societies."

The societies, he said, should raise their rates to "a realistic level" in order to make them competitive with other saving institutions.

'Artificially low'

The house builders say that without an increase in interest rates, the 1973 level of lending will not be possible next year.

This year's lending figure of about £6bn. should however, be raised by at least £1bn. in 1977, if builders are to have the confidence to step up output, according to the Federation.

Mr. Mitchell continued: "The retention of an artificially low mortgage rate now will undoubtedly cause considerable problems in the future. It will raise the spectre of a 1974-style mortgage famine ahead.

"I urge the societies to resist pressures to hold down the mortgage rate for extraneous reasons unrelated to the real position on general interest rates."

It seems likely that at their Friday meeting the societies will decide to raise the present 10.5 per cent. mortgage rate by 1 per cent., while the investors' rate could rise from the present 6.5 per cent. to 7.25 per cent.

An alternative to be considered would be the raising of the investors' rate to 7.5 per cent. and a new mortgage rate of 11.75 per cent

Loans to industry may rise only 6% in year—Barclays

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE DEMAND from industry for loans to finance investment is not expected to rise by more than 6 per cent. during the coming year according to Mr. Deryk Weyer, director and senior general manager of Barclays Bank.

Speaking in Edinburgh yesterday, where he had just met institutional investors, Mr. Weyer said that the bank had revised its forecast of the increase in lending downwards as the result of poor demand from industry. Money was available through medium-term loans and through Finance for Industry, but the response had been low.

"The product we sell is lending business and we have enough funds. We understand why there is not the demand, but we are disappointed."

He added that he thought high interest rates were only one of a number of factors which were contributing to industry's low requirements for investment capital. A certain amount of new investment was being made from companies' own resources and there was also some destocking going on.

But investment would only revive if the public sector borrowing requirement was brought down, so that interest rates could also be reduced, and if corporate profits held up.

Mr. Peter Lunn, general manager responsible for the bank's international division, said that he thought that British banks, after starting behind U.S. and Canadian banks in experience in the oil industry, were now taking their fair share of work from the North Sea. Barclays was involved in financing about six or seven of the 15 oil fields now in production and several more schemes were in the pipeline.

Dover freight traffic rises

By Our Shipping Correspondent

DOVER'S DEVELOPMENT into a major port for roll-on roll-off freight vehicles has increased by 17 per cent. in the first eight months of this year compared to the same period in 1975.

Dover Harbour Board figures show that by the end of August a record 210,360 lorries had passed through the Eastern and Western Docks.

According to the Board, record traffic levels have continued well into September. In the week ending September 27, 6,500 lorries passed through the port, averaging a record 929 vehicles a day.

On cargo tonnage, the 2,584m. tons recorded for the first eight months was 6.83 per cent. up on the 1975 figure.

However, it now looks unlikely that Dover will break any records on its passenger and car traffic.

Immigration Minister attacks Powell speech

BY PETER HENNESSY, LOBBY CORRESPONDENT

AN OUTSPOKEN attack on Mr. Enoch Powell's call for State-aided repatriation of immigrants came yesterday from Mr. Brynmor John, Minister of State at the Home Office with responsibility for immigration.

"Those to whom Mr. Powell lends his pseudo-intellectual veneers are those who would drag this country back to a dark age of hatred and violence," he told Warwick District Community Relations Council in Leamington Spa.

How many people did Mr. Powell think would accept his proposed £1,000 inducement to leave Britain? If they were few in number, would he resort to violence to drive them out?

"How many screaming women and children could he see driven on to cattle boats before even his stomach rebelled at his final solution?"

Mr John attacked Mr. Powell for pretending that immigrants inspired violence in the community. They could not be blamed for soccer hooliganism or the troubles in Northern Ireland.

If Britain followed Mr. Powell's prescription, its international reputation would be lowered to that of South Africa or Uganda. Mr. Powell, and not those who called for good race relations, was practising deceit on the British people.

Help urged for chemists in uneconomic areas

BY STUART ALEXANDER

MORE HELP for pharmaceutical chemists operating in uneconomic urban and rural areas is proposed by the Pharmaceutical Services Negotiating Committee in a report published yesterday.

The PSNC said that about 300 pharmacies are closing a year, mainly in urban areas, as costs rise and competition from Health Centre dispensaries increases. It proposes extending the rural area subsidy, already running at about £100,000 a year and financed by the pool of earnings paid to pharmacists by the National Health Service, to cover urban chemists and encourage new outlets on housing developments.

This would increase the annual subsidy to £300,000, but the PSNC emphasises that initially it would be able to find the money from its own resources and that the help would be given only where it was justified by recommendation from the local Family Practitioner Committee.

It also proposes that eventually the Department of Health should match the £300,000 with an equal amount to ensure that the spread of local dispensaries is maintained. This compares with a total of £460m. a year paid to chemists by the NHS for drug prescriptions and operating costs.

The PSNC negotiates terms of service and payments from the Department of Health on behalf of all dispensing chemists.

Behind the closing of ranks and the call for maintenance of private service is a fear of covert nationalisation as private dispensaries are squeezed out by local health centres. The chemists say they receive about 80 per cent. of their income from NHS prescriptions and only 40 per cent. from patent medicines, toiletries and other goods.

In addition the chemists claim that 80 per cent. of all illness symptoms are first reported to them and that they are able to cope with a large number of these. They say that a further reduction in the number of chemists—there are now 11,005 compared with over 15,000 ten years ago—would hit mothers with children and older or disabled people hard.

Bottled malt whisky demand rise forecast

By Kenneth Gooding

DEMAND for bottled malt whisky will grow at a high rate from now on, and it should increase its share of the total whisky market, Glasgow stockbrokers Speirs and Jeffrey maintain in a report published yesterday.

The brokers point out that, while U.K. sales of blended bottled Scotch fell by 6 per cent. last year from 17m. to 16m. gallons, sales of single malt whisky were maintained.

And in the first seven month of 1976 a further fall of 6 per cent. was seen in blended whisky but sales of malt whisky were up 7½ per cent.

Looking at the world scene, the brokers state: "We take the view that demand will continue to grow at a high rate and that there is scope for single malts to increase their share

Shetlands chooses chief

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHETLAND ISLANDS Council has chosen a 37-year-old engineer to succeed Mr. Ian Clark as chief executive and the man who will handle negotiations with the major oil companies over the building of Sullom Voe oil terminal, which will be the largest in Europe.

Two-hundred applications for the job were reduced to a short-list of seven and yesterday the council interviewed candidates at Lerwick and chose Mr. Ernest Urquhart, of Pattenhall, Cheshire. He is general superintendent of the construction of a low-density polythene plant for Esso in Geel, Belgium.

Mr. Urquhart, an Aberdonian, started his career with the Grampian Health Board, but other than that has no experience of working in local government. He knows something of the oil business, having worked for Aramco in Saudi Arabia and Shell on the building of Stanlow refinery.

He will take up his appointment in the New Year at a salary of between £12,314 and £13,118. Mr. Clark, generally acknowledged to be one of the toughest negotiators to have confronted companies involved in North Sea oil, leaves Shetland this month. He joins the British National Oil Corporation next month.

Scottish power price stability

BY OUR GLASGOW CORRESPONDENT

UNEXPECTEDLY high output from the first AGR reactor at Hunterston "B" nuclear power station could mean the end of big price increases for consumers in the South of Scotland Electricity Board's area.

The Board said yesterday that the first 660 MW reactor was performing so well that it had already achieved 75 per cent. of the station's output target for the year ending next March.

Unit production cost of the electricity was only about a quarter of that from the Board's coal-fired Longannet power station. A spokesman said yesterday the undertaking given to consumers earlier this year that there would be no further price increases before next April had been underlined by Hunterston "B's" performance.

He added: "Continued good running by Hunterston "B" will have a very strong stabilising effect on prices for the future."

The reactor was first linked to the supply system last February and has since been worked up to its initial rating of 500 MW. The second reactor at the station is to be brought into production about New Year.

Scotland now has more than 1,000 MW of nuclear plant in operation, from three nuclear stations.

Concern at smashing of VC-10s

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

OFFICIALS of British Airways and Boeing are trying to allay concern expressed by workers at Heathrow at the breaking up of two standard VC-10 aircraft close to the maintenance area.

The aircraft are part of a batch of five traded in by BA to Boeing as part of an overall deal to buy more Boeing 747 Jumbo jets. BA has sold VC-10s to users world-wide, especially in the Gulf. But the market for this type of aircraft now is so poor that these latest VC-10s to be taken out of the fleet are almost not worth selling.

They are expensive on fuel and noisy by present-day environmental requirements in many parts of the world. With many more modern four-engined aircraft available on the second-hand market, the standard VC-10s are worth little more than scrap value—a few thousand pounds at most.

Two of the aircraft have been so cannibalised—with BA stripping them of parts to keep other VC-10s flying—that they cannot be flown. A third would need more than £100,000 spent on it to get its U.K. Certificate of Airworthiness renewed. Even then, it could be flown only to another airport and broken up there.

It is pointed out that the current secondhand market for old aircraft is weak—and the standard VC-10, which went into service in the early 1960s, is rated as an old aircraft. At this time, there are 25 Convair 880s belonging to Trans World Airlines on the market. United is planning to trade in to Boeing 28 DC-8s in return for 28 new Boeing 727s.

Boeing has more old, second-hand four-engined aircraft on its books than it knows what to do with and the only solution is for some of them to be broken up.

With more than 80 used aircraft of all kinds, from 747 Jumbos to F-27 twin-engined turbo-props changing hands in the first half of this year, and with buyers becoming increasingly selective as to the aircraft they want, it is becoming more difficult to get rid of old equipment.

New action over sherry

A HIGH Court action to stop wine from the Montilla district of Spain being passed off as sherry will begin later this month. Three sherry houses, Sandeman Hermanos, A. R. Valdespina and Duff Gordon, representing all other Jerez companies, will try to stop Western Licence Supplies, of Bristol, from selling Montilla wine as fino, amontillado or oloroso.

The sherry shippers contend that those terms relate only to sherry and that selling Montilla wines under those descriptions is passing-off Montilla wines as sherry. In 1966 the High Court ruled that sherry could come only from Jerez.

Glass recycling study at Sheffield next week

DELEGATES from 11 countries will attend the first international glass recycling symposium at Sheffield on October 13 and 14.

It is organised by the Glass Manufacturers Federation whose president, Mr. Stanley Race, says: "The GMF has always aimed at being innovative on the subject of glass recycling within a deliberate waste reclamation policy.

"We see the symposium as a practical way of exchanging ideas and information with other countries in order to learn from each other."

Delegates will learn that Britain is pioneering recycling work in three areas.

The South Yorkshire County Council and the Department of the Environment are jointly establishing the first automatic waste recycling plant in Europe at Doncaster, based on a pilot plant devised by the Department of Industry at the Warren Spring Laboratory, Stevenage.

In the second scheme, University College, Cardiff, is engaged in the only research programme of its kind in Europe to find new uses for waste glass and has already developed glass-filled plastic moulding material, decorative tiles and building materials.

Delegates are also to visit the third project—the Oxfam Wastesaver Unit at Huddersfield, the first reclamation centre to be established in Britain.

Asda is cheapest, says Which?

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ASDA, the Northern-based grocery retailing group, has again come out top of the Consumers' Association league of shops offering the cheapest prices on branded groceries.

According to a survey in this month's issue of Which?, published to-day, shoppers could save 13p in the pound by switching from a VG store—the voluntary groups which come out worst in the survey—and buying branded goods at Asda.

The shopping basket of branded items cost £4.38 at Asda and £5.51 at VG. The difference between the cheapest and the most expensive chain, however, was slightly less than last year when Asda was also found to be the cheapest store in the sample.

The cheapest prices were generally found to be in the North of England, where discounting is much more developed. In the South, Key Markets emerged as the cheapest store chain.

Once the savings available through trading stamps had been taken into account, the Co-op superstores came out second best on this year's national survey together with William Jacksons.

The Cavenham discount operation, Presto, came fourth followed by Tesco Superstores, Amos Hinton (again both giving stamps), Key Markets, and Fine Fare superstores which were all selling branded items in the shopping basket for under £4.60.

The basket cost £4.82 at the Sainsbury superstores, and £4.86 at Mac Markets, the Unilever subsidiary, and Templetons.

Bishop's Discount, Liptons, Safeways and F. W. Woolworth came next, followed by International Stores, the British American Tobacco subsidiary which also give stamps, J. Sainsbury supermarkets, the Co-op, Fine Fare supermarkets, Gateways and Tesco.

The survey showed that all the groups operating both conventional supermarkets and superstores were offering cheaper prices in their larger stores.

The three big voluntary groups were all found to be relatively expensive, with Spar coming out best, followed by Mace and VG.

Asda, which, like the superstores, operates on lower gross margins than a conventional supermarket, was also found to be one of the cheapest groups for own-label products, though the gap between the most expensive own-label items and the cheapest was not as great as the difference on branded goods.

After taking stamp savings into account, the Tesco and Co-op superstores were shown to be selling the cheapest own-brand groceries, followed by Presto, Asda, Mac Markets, Fine Fare superstores, William Jacksons and Key Markets.

The Booker McConnel subsidiary, Budgens, which was found to be the most expensive of the multiple groups for branded products even after making allowance for trading stamps, was also selling the most expensive own-brand products among the multiples.

In general, the survey found that shoppers could save 8½p in the pound by switching from heavily advertised brands to own-label products.

In most cases, the magazine says, the quality of own-label products was as good as that of the branded products.

● This month's issue of Which? also examines the freshness of eggs sold in the shops. Some of the eggs described as "fresh," it says, were as much as five weeks old and the magazine calls for clearer date marking of eggs.

Conservative Party Conference

Tories show their taste for harmony

BY PHILIP RAWSTORNE

A JUBILANT Conservative conference celebrated the end of the discord between Mr. Edward Heath and Mrs. Margaret Thatcher.

A handshake, a smile, a word of confidence—the party's former leader may have conducted no more than an overture. But the conference, attuned to an early general election, stood to applaud with relief and delight the prospect of renewed and concerted harmony.

"Nothing can stop us now," cried Mr. Edward Leigh, of Richmond, giving voice to the overwhelming emotion of the conference.

An historic moment of unification, he called it, exciting a party unison that muted some still vibrant memories of 1974; stirring a sudden change of mood that contrasted with *the anxieties sounded earlier* in the debate about the lack of Conservative appeal to the industrial voters.

Mr. Heath's arrival had been awaited with nervous anticipation. And the strain persisted throughout his brisk march to the centre of the stage and his exchange of greeting with Mrs. Thatcher.

The warm chorus of cheers relaxed — and Mr. William Waldegrave, his former political adviser, heralded the unity theme with a speech commending the party's policy statement.

Another ovation accompanied Mr. Heath himself to the rostrum to speak to the party conference for the first time since his election defeat.

But to speak first to the country. "We have come to the end of the present road," he said. "The crunch so long awaited, is now upon us. Urgent and unpleasant action had to be taken.

"And I hope that this country will realise that once again I am telling them the truth."

With that echo of past justification, Mr. Heath asserted: "The time has gone when we can blame other people outside, and it is time that we gave up blaming each other and got on with the job."

The Conservatives' task would not be easy or painless, he warned. But it had not flinched in the past and would not flinch in the future from difficult decisions in the national interest.

Grittily, he declared: "I have complete confidence that they will be taken by Margaret Thatcher and by her colleagues on the platform."

The party's policy statement —though he did not agree with every word—was in the mainstream of conservatism. "I do not find myself in major disagreement with it and so I find it is encouraging that we should be going along this road."

The country could surmount its economic, political, and moral crisis and re-establish itself. "These are the things which I have been fighting for, and for which I shall go on fighting."

The conference rose to him —Sir Keith Joseph and Mr. Angus Maude, the composers of the party's present policies noticeably slower than the rest.

A "notable speech," Sir Keith responded later, "with very endearing touches."

Mr. Heath pictured with Mrs. Margaret Thatcher and other senior Tories at yesterday's conference.

Heath declares his faith in Thatcher team

MR. EDWARD HEATH was cheered after he warned of the grim future facing Britain and said: "I hope the country will recognise that once again I am telling to them the truth."

He told conference: "Britain has now come to the end of the present road. The rest of the world knows it. The rest of the world is very sorry. The rest of the world regrets it is unable to oblige any longer.

"The crunch so long awaited, so often discussed, is now upon us."

Mr. Heath said that the Chancellor of the Exchequer (Mr. Healey) had called for the "few remaining dollars" Britain could obtain from the International Monetary Fund "The time remaining to us is short, very short indeed."

Action had to be taken. It was urgent. It was going to be difficult, and it was going to be very unpleasant

Mr. Heath warned that the rapid slide in the pound—unless it was dealt with—was ultimately just as catastrophic as a collapse.

This was particularly so for Britain, a great trading nation depending almost entirely on imports for raw materials and 50 per cent of its food supplies. "When the currency slides and there is a catastrophe, you ask where are your raw materials and food coming from. This is now a matter of a very short time."

Mr. Heath paid a warm tribute to the action of trade unionists in restraining their wage demands over the past year.

"Trade union leaders should take the credit for what they have done in income restraint. They are now seeing their task as to maintain the living standards of their members and a large section of the British people.

"To them I would say they now have to face another factor: the present living standards of the British people are only sustained by borrowing overseas.

"When that borrowing is no longer available the present standards of the British people cannot be sustained. It is of the utmost importance that they themselves recognise it and make as clear as they can to their membership that the real problem is about sustaining the living standards they require."

The measures required to deal with the situation were unpleasant. "The rest of the world does not believe we have shown the will or wisdom as a nation to deal with our problems to give them the confidence which will enable them to go on holding our currency."

The policies to be pursued would be hard. "A very large number, many innocent people who have no direct or indirect responsibility for this state of affairs, will suffer harshly."

Drastic decisions would have to be taken to reduce the Budget deficit. Very stringent measures would be required which would affect everybody. "If you cut Government spending in that way, a large number of people are going to see their aspirations thwarted for the time being."

There were loud cheers when Mr. Heath said the Conservative Party had never flinched from taking difficult decisions when they were required.

"We should not flinch from taking difficult decisions which are in the national interest. I have complete confidence they will be taken by Margaret Thatcher and her colleagues on the platform.

It was important that it should be recognised that the Conservative party had confidence in itself to deal with the situation.

On the Tory policy document, The Right Approach, Mr. Heath declared: "You would not expect me to say I agree with every word or sentence of it. But is there as a continued development of policies we have worked out over many years. I do find myself in much disagreement with it. It is encouraging that we should be going along this road."

The crisis was more than an economic one. "This crisis is for Britain a political, social and moral crisis."

"We as a country are going to have to get up and go to work. This is what the rest of the world are asking. No matter how great the crisis, Britain can still produce the answer. The energy is there, the ingenuity is there, the inventiveness is there."

Speed promises big effort to control council spending

BY JOHN HUNT

A PROMISE that a Conservative Government would eliminate waste and inefficiency in local authority administration to the tune of several hundred million pounds a year was given by Mr. Keith Speed, Opposition spokesman on local government, summing up a debate on local authority finance.

By a large majority, conference approved a resolution from Derby South rejecting the "expensive and unnecessary" local income-tax proposed by the Layfield Committee. The motion called for a system under which every adult resident within the boundary of a local authority should bear a share of its cost.

Mr. Speed said that the party was now looking at the possibility of replacing the present rating system by a method of taxation based on expenditure, and taxes which would cover non-householders, who were earning.

Since the present Labour Government took office, he said, local authority spending had almost doubled and the rates had increased on average by £70 in every £100.

"The fact is that increased expenditure of this order cannot continue and a serious effort must be made to bring local government spending under control," he said.

A Conservative Government would cut out duplication between authorities in areas like planning and consumer protection. It must also see that local government staffing levels reflected the minimum rather than the maximum load.

"We estimate that these changes alone would show savings in local government expenditure of several hundred million pounds a year and we shall introduce them," he pledged.

The Conservatives also favoured strict cash limits on local authority spending. "We need a clear indication of what authorities can spend in cash terms and within that, they should have *much greater discretion to decide* how to spend the money," he explained.

This would also entail a moratorium on new legislation of the type which would add to the burdens of local government. It would particularly apply to the Bill which hthe Labour Government threatened to bring in to extend the work of direct labour departments.

A Conservative Administration would ensure that any aditional duties imposed on local authorities would be accompanied by special grants to cover them.

The cash limits, he said, would mean that "where capital spending is involved, global limits should be agreed with individual authorities and they should be left to spend on capital programmes as they decide." The party rejected the Layfield proposal for a local income-tax.

"The Layfield plan would seem to envisage a growth in local government expenditure beyond the bounds of possibility and practicality," Mr. Speed observed.

Photographs by Ashley Ashwood

Conservatives also rejected the *proposal to rate agricultural land.* They wanted to help small businessmen by giving them a statutory right to pay their rates by instalment and allow them a substantial measure of relief where they lived at their place of business.

Proposing the Derby South motion, Mr. Michael Stern said it envisaged the present rating system being replaced by a flat rate tax. Every adult who was earning would be levied at about £50 a year to meet local authority costs.

"Such a scheme would be cheap, fair and certain," he said.

Opposing the motion, Mr. Peter Price, of Stockton, said the idea of a local income-tax should not be dismissed out of hand. The Conservatives should be prepared to consider such a scheme as a means of preserving the independence of local government.

Walker argues need for wage restraint

FORMER TORY Minister Mr. Peter Walker yesterday warned the party that talk of public spending cuts would be meaningless without wage restraint.

He proposed an eight-point plan which, he said, the Tories should put to the unions to replace the "miserable public relation exercise called the social contract"

Mr. Walker told the Tory Reform Group in Brighton: "Any talk of cutting public spending will be meaningless without wage restraint and the public sector borrowing requirement will not be reduced unless wage restraint is obtained."

Without a period of wage restraint, inflation would soar, unemployment would rise and a new Tory Government would be destroyed.

In three years of Labour Government, public sector wages and salaries, would have increased by £12bn. "It means that by the end of this year every family of four in Britain will need to find £36 a week to pay the public sector salary and wage bill.

Mr. Walker described as "a disaster" an incomes policy that closed differentials "between the skilled and unskilled, between the hard working and lazy." He wanted positive wage and tax policies and full employment.

On housing, Mr. Walker said he would soon be publishing his own scheme for the transfer of virtually all council houses to tenants in a way which would reduce public spending by several hundred million pounds a year.

He urged "quick and effective progress" in giving a real sense of participation to those employed in British industry, and "a positive programme to eliminate the appalling and deteriorating problems" of inner cities.

Referring to the recent speech by Mr. Enoch Powell, he said that "constant expressions as to the damage the immigrant population are doing to our nation increases friction, encourages hostility towards our coloured citizens and increases our problems."

There must be a practical programme to harness the resources of our education system for the needs of commerce and industry, and a dynamic trade policy aimed at conquering world markets.

Self-employed demand greater support

THE SELF-EMPLOYED are not "natural" Conservative voters and the Conservative party must commit itself to fight for the interests of the independent man, the National Federation of Self Employed said yesterday.

The federation said that the self-employed were encouraged by aspects of "The Right Approach," policy document but must be assured that their problems would feature strongly in a manifesto.

In the party's latest 25,000 word policy document, not many more than 250 words had been devoted to small firms and the self employed, "and these few words tell us very little more than we already knew."

Prior challenges unions on attitude to Tories

BY JOHN HUNT

A CHALLENGE to trade union leaders to state clearly whether they would work with an incoming Conservative Government was issued by Mr. James Prior, the shadow Employment Secretary, winding up the conference debate on employment.

He received a very chilly response from delegates when he said that a Tory administration would have no intention of banning the closed shop. "Why not?" demanded some hecklers.

Mr. Prior went on to enumerate the safeguards which a Tory Government would introduce—by legislation if necessary—to give additional protection to those employed in a company where a closed shop was introduced.

In an often rambling debate in which speakers frequently strayed far from the resolution under discussion, the main theme was the necessity for Tories to take a greater part in union affairs in order to defeat the militants

Yet it was noticeable that the only real show of enthusiasm was reserved for Mrs. Jane Kirk, of Nottingham, who declared: "If what I have said sounds like union-bashing, then all I can say is that if I have to bash them to stop them bashing the country, I will be the biggest bloody basher of the lot."

Mr. Prior asked the conference: "Are union leaders saying they will not work with an incoming Conservative Government? I challenge every union leader to say now that he will cooperate with a Government democratically elected.

"Let them remember that such a Government will have been elected with the help of large numbers of their own members. I am confident they will give the right response. We must then respond with conciliation and understanding."

He added: "I make this pledge to you and to Tory trade unionists. We will do everything we can to widen union representation to see that the leadership is truly representative of the rank and file."

MR. JAMES PRIOR
Confident of right response.

On the closed shop issue he declared: "Let me make this plain. The next Conservative Government will protect the right of the individual to work profitably and productively without fear of being dragooned into a trade union contrary to the dictates of his conscience."

But there were cries of "Rubbish" when he went on: "Running the closed shop and making it illegal will not give that protection. Those who say we shall ban the closed shop are really saying we should sweep the problem under the carpet."

A Conservative Government would establish clear rights for individuals including:

The right of those already employed not to be forced into union membership by a subsequent change to their contract of employment;

The right to keep their jobs for those who feel that they cannot in conscience joint a union, and

The right of anyone to appeal to an independent tribunal for compensation if they were adversely affected by the closed shop.

In addition, a Tory Government would act "to secure freedom of access to the Press" if recent disturbing events convince us this is necessary"

Mr. Prior made it clear that a Conservative Government would be prepared to consult closely with the unions but would not be prepared to give them a dominant say in industrial and economic policy. Union views would be respected on matters affecting their membership. But when union leaders spoke as Socialist politicians, Conservatives would have a right to remind them they were not the Government

Overwhelmingly, the conference passed a resolution recognising the concern felt by the electorate about a future Conservative Government's relations with the trade unions. It welcomed initiatives by the shadow *Cabinet to establish a working* relationship with the TUC but said the party should not ignore the threats to liberty contained in the Trades Union and Labour Relations Act and the Dock Labour Bill.

It recognised the grave disquiet felt by non-union members that only the TUC was being consulted on the present Government's incomes policy.

Approval for 1978 EEC elections

BY JUSTIN LONG

THE TORIES yesterday voted overwhelmingly in favour of direct elections to the European Assembly in 1978 after a debate in which Young Conservatives demonstrated their enthusiastic support for speeding up such election arrangements by launching coloured balloons from the balconies

Sir Peter Kirk, leader of the Conservative delegation to the European Assembly, drew cheers from the crowded hall when he expressed his belief that a European election in 1978 could be achieved.

There were further cheers when he assured the party's representatives that, on all the evidence, the Tories were further advanced in the Euro-electoral planning than either of the other two main parties.

If the Government's legislation for such elections were put forward, as expected in the next session of Parliament, the Tories' preparatory work could then be completed.

Sir Peter agreed with suggestions that there should be a common approach with other "like-minded" Conservative parties in Europe when the Euro-elections started up. But he rejected any idea that there should be a united front if this meant a united party to represent Conservatism in the EEC.

There had, already been talk between Britain's Tory representatives and other European representatives in which common ground had been found—not least in a total repudiation of Marxism

The main motion on which *the debate hinged, demanding* rejection of "unnecessary harmonisation which smacked of bureaucratic busybodies," was supported by many of the speakers at the rostrum

But there were a number of critics, including those who backed an addendum urging direct elections in Europe without delay There were also complaints about niggling over harmonisation proposals dealing with beer and sausage marketing when much more momentous issues were ignored.

The party these critics contended should be concerning itself with such matters as reform of the Common Agricultural Policy and the need to close ranks against monetary union These views were also cheered and the addendum on the elections was carried along with the main motion.

Police must have more pay, says Maude

BY JUSTIN LONG

THE NEED to expand the police force means that it must have more pay and better conditions of service, Mr. Angus Maude, deputy party chairman, told conference.

Condemning the Government for getting into a "mess" over the present police pay dispute, Mr. Maude said. "It seems to me the police have a case at least as good as the seamen. They are in many ways a parallel case"

He left no doubt that he was on the side of the police in their pay dispute, although he acknowledged that a party conference was not the appropriate place to go into the details of a controversial pay claim

Mr. Maude also promised on behalf of the party leadership that when the Tories next came to power, there would be legislation to enable young criminals to be dealt with more adequately under the law

The conference carried by a massive majority a motion calling for more police stiffer penalties for offenders and more public support for the police.

To-day's debates

Houses and Land Defence and overseas affairs. People, Parliament and the Constitution: Industry, small businesses and the self-employed: Party organisation and Social services and health.

Sir Keith: We need to convince the voters

IN A FIGHTING anti-Government speech, Sir Keith Joseph explained that he did not write the latest policy tract, The Right Approach, but told delegates: "Strategy matters, policy matters. An idea can best be defeated by a better idea We have a vision, we have an idea"

To cheers, Sir Keith said that the current huge increase in Government power had only whetted the appetite of the Left.

"We cannot any longer go half way to meet Socialist purposes. There can be no compromise for us. Socialist purposes do not correspond one jot with the wishes of the people

"What is going to rescue this country is enterprise and solvency"

Sir Keith said that the dynamism of the nation was being stifled under the growing controls and discouragement of an anti-enterprise Government

"The results are already apparent and will grow. Socialism will more and more mean slump and slump and slump"

He added "To reverse the ratchet, we need to convince the voters of what is wrong and carry them agreement to what we intend to do Without such a mandate, we shall find it harder to meet the bitter and unprincipled opposition we must expect"

Socialism may have been conceived with fine intentions, he said "But it has become an engine of tyranny, impoverishment and unemployment.

"We have to put our vision with a passion equal to that of the Socialists because otherwise *Socialist tyranny will triumph*"

Sir Keith said that the Tory party's strategy and thinking was based on "commonsense and on the common ground"

Mrs. Marjorie Austin, Handsworth, warned the party that it faced a major task in regaining the confidence of the people in the industrial areas

"It is in those areas that the Conservative alternatives to the present disasters and disastrous policies are not getting through I believe that we have not yet succeeded in throwing off the trauma of those two defeats in 1974."

She said "We have to translate our Conservative philosophy into practical policies related to the everyday lives and the hopes and aspirations of the mass of *the people*"

Mr. Selwyn Gummer, prospective candidate for Eye told conference "We have established that we are the only alternative. The next thing we have to do is to dramatise the deficiency of Labour"

Sir Keith Joseph claimed Socialism had become an engine of tyranny.

Popular support had to be rallied to the Tory party and its policies for giving power back to ordinary people

Miss Patricia Steel, of the Conservative Graduates' Association, said that until the publication last week-end of the policy statement, the party had been foundering "Ever since October 1974, the leadership has given us no policies and on the doorstep, the views that we have had to expound are those of our selves. It has been a great embarrassment to all of us.

"It is my earnest plea that the next Conservative Government will stick to the principles we are now expounding and not let go by the wayside as many of our principals went by the wayside last time round."

Dr. E. Cottrell of Bridgend said that although thousands of Labour voters knew that Socialism had failed, they did not turn to the Conservatives. "Not because we do not exist or have never had, the policies but because we do not put the policies in a way with which the people can identify.

YC critics attack conference

GREATER LONDON Young Conservatives have launched a savage attack on the "irrelevant, inflexible and stage-managed" Brighton conference

Their criticism appears in a document described as a rescue of "the great October disaster"

The document says: "If the conference is to be truly representative," with a constructive role to play within the party organisation, then encouragement must be given to the drafting of positive policy-orientations and to those critical of existing party policies and practices where necessary.

LABOUR NEWS

Council workers settle without fringe benefits

BY ROY ROGERS, LABOUR CORRESPONDENT

LEADERS of about 1m. local authority manual workers gave the Governments 4½ per cent. pay policy a massive boost yesterday.

After a day-olng session of hard bargaining, union negotiators agreed a £105m. settlement strictly in line with the policy's £2.50 to £4 a week limits.

Significantly, they came away without any fringe benefits whatsoever.

Some people had feared that the policy had been undermined by the seamen's recent fringe benefit pay settlement.

The unions—the Transport and General Workers Union, the General and Municipal Workers Union and the National Union of Public Employees—spent most of the day pressing for improved sick pay arrangements. But the local authority employers felt they could not agree to demands for workers to qualify for bonus earnings while they were off sick.

The settlement, which takes effect from the end of the month, is traditionally the first public sector deal of the autumn wage round. It paves the way for almost identical settlements for other groups such as local authority building workers and hospital ancillary staffs.

Under the settlement, which is certain to lead to increased domestic rates, local government manual workers will receive 5 per cent. of their weekly earnings —subject to the policy's minimum limt of £2.50 and the ceiling of £4 a week.

The increases will be calculated each week—which could present considerable problems for some councils—and paid as a supplement to earnings. Current rates for local authority workers, who include dustmen, sewerage workers, cleaners and cooks, range from £36.40 to £41.25 a week. In addition they receive the £6 a week allowance from last year's social contract settlement.

Rail union executives will consider pay increases for London Underground crews proposed at a meeting with London Transport yesterday. As the Underground men have not had a major increase since April 1975, they are entitled to £6 per week plus some back pay, but payments which they have received under a cost-of-living agreement will have to be deducted from this.

Ford night men vote to continue action

By Alan Pike, Labour Staff

FORD MOTOR was denied any relief from the strike action at Dagenham which has halted production of its new Cortina when men involved in one of the disputes met to review the situation yesterday.

A poorly attended meeting of night shift workers—who went on strike a week ago demanding lay-off guarantees —decided, as expected, to continue their stoppage. They do not plan to meet again until next Wednesday.

Only about 200 of the 1,000 men whose lay-off led to the strike were at the meeting. They heard shop stewards report that there had been no breakthrough during 7½ hours of talks at which unions had sought payment for men sent home because of stoppages involving other workers in the factory.

The dispute has made lay-off pay into a major issue in the annual Ford wage claim which is now under negotiation. It will be pursued further when management and union officials meet to discuss the claim to-morrow.

Ford takes the view that to pay men when they could not work because of internal disputes would give a "licence for disruption," to small, unrepresentative groups of unofficial strikers.

At the unsuccessful meeting on the night shift strike shop stewards asked for a guarantee that there would be no further lay offs for at least two weeks.

Management rejected this but suggested a trial period of daily meetings to try to head-off production problems which might disrupt night shift work.

The action at Dagenham is costing Ford production of 600 Cortinas a day with a value of more than £1.2m. In addition to the night shift strike over lay-off pay, it also has to resolve a dispute by door hangers over the use of equipment which they say is unsafe and a strike by welders over grading.

● All 3,500 production workers at the Goodyear tyre factory, Wolverhampton, were laid off yesterday because of a strike by 800 supervisors and staff protesting at pay stoppages for attending a union meeting. At Chrysler's Linwood plant electricians and plumbers walked out over the suspension of a colleague but production was not affected.

Ulster union men to see Callaghan

BY OUR BELFAST CORRESPONDENT

A TRADE Union delegation from Ulster arrives in London to-day for talks with Mr. Callaghan at Downing Street and with the TUC's economic committee.

Eleven members of the Northern Ireland committee of the Irish Congress of Trade Unions will ask the Prime Minister to exempt the province from cuts in public expenditure and to give special consideration to the Ulster economy in view of the 11.4 per cent. unemployment level.

The threat of as many as 3,000 more redundancies in the province has been posed by the Republic of Ireland's devaluation of the "green pound." Ulster meat plants and bacon curing factories say they are facing disaster because of the decision.

Senior officials of the Ulster Farmers' Union flew to London yesterday to seek a meeting with Mr. John Silkin, the Agricultural Minister, to stress the disadvantages facing the meat processing industry.

The 7.5 per cent. devaluation would mean that buyers in the Republic would be in a position to heavily outbid the Ulster plants for livestock, the union said.

Meanwhile, the national executive of the Fire Brigade's Union is expected to decide to-day to ask the TUC to examine the case of Ulster firemen who are demanding £5-a-day danger money.

The full-time firemen who had placed a ban on attending outbreaks caused by terrorists in industrial and commercial premises unless life was at risk, have called off their unofficial action for a week until the outcome of their union's efforts is known.

CBI accused of planning pension 'scare campaign'

BY ERIC SHORT

AN ANGRY REACTION to the CBI's criticisms of Government plans to give equal representation to trade unions on occupational pension funds came yesterday from Mr. Terry Parry, chairman of the TUC Social Insurance and Industrial Welfare Committee.

Opening a TUC conference on pensions, Mr. Parry accused the CBI of mounting a "scare campaign" over the proposals. He warned delegates to expect the CBI to campaign against the proposals on the grounds that "the wicked trade unions were taking away the widow's mite," and argued that confrontation over pensions was not the best way to achieve good industrial relations.

If the Government's legislation on member participation did not go through and unions were denied effective participation, they would start asking why they should bother with occupational pensions schemes at all, he said. Nothing could be more calculated to destroy the union's faith in pension schemes than sabotage of this legislation.

Mr. Stanley Orme, Minister for Social Security, told the conference that it remained a central pillar of the Government's proposals that member participation in the running of occupational pension schemes should be achieved through recognised independent trade unions.

Several arguments had been put to him—that non-unionists would be disfranchised, that unions could not be trusted to look after the interests of all scheme members and that it would be wrong to put them in a position to make financial and investment decisions. But these arguments were a distortion of the reality.

Mr. Ray Buckton, ASLEF general secretary, said that the main consideration in pension consultation was to find out what benefits the members wanted. Whether to contract out or stay in was not the prime decision. Only when employees decided what level of pension they required could unions deal with the practical matter of how to provide it.

Contributions

Delegates had to consider many factors, including the effect on the proposed State scheme and the cost of administration. He pointed out that the greater the number of people who contracted out, the higher the level of National Insurance contributions everyone would have to pay to the new scheme in the early years, putting pressure on the level of benefits provided by the State.

Contracting out, he warned, would also lead to higher administration costs, absorbing resources that could be used to better purpose.

HOME NEWS

Pay code lacks legal sanction –Powell

By Peter Hennessy, Lobby Correspondent

MR. ENOCH POWELL, a long-standing critic of incomes policy, claimed last night that the Government's pay code was not backed by legal sanction. There was nothing to prevent an employer from increasing the pay of his employees by as much as he pleased.

He told a Sheffield audience that what did exist was an annexe to an Act of Parliament which allowed an employer to break his contract. The Government had entered into a conspiracy with those who claimed to represent industry and those who claimed to represent trade unionists.

Expenditure

Mr. Powell warned that companies which attempted to secure cheap labour often had to pay a high price in real terms. Nothing was more important for managers than to find and keep the right labour force by offering what was necessary in a free market.

Pay and price increases were the result of inflation, not its cause. Governments increasing money supply to pay for their exhorbitant expenditures were responsible for it, he continued.

Both major political parties now stressed the importance of controlling money supply but continued to speak the language of pay and price control. The Government's social contract had no more to do with reducing inflation than "mumbo jumbo."

Staff cuts at Norfolk works

FORTY WORKERS at the Cox Wyman, Fakenham, Norfolk printing works, which employs 500 people, are to lose their jobs because of a major reorganisation. The company is installing film setting equipment to meet changing demands in the book publishing market.

More jobs for Merseyside

ANOTHER 479 temporary jobs, mainly for young unemployed persons under the age of 24, will be found on Merseyside in the Government's job creation scheme.

The Merseyside action committee announced its approval yesterday for a further 27 schemes and extension of some existing projects with grants amounting to just under £875,000. It brings the number of schemes so far approved on Merseyside, which has one of the country's worst unemployment problems, to 405, providing 5,780 jobs at a total cost of close on £10m.

Ambulance row

Ambulance drivers in South Glamorgan began a strike yesterday after talks to avert a dispute over reduced manning levels, broke down. They say they will refuse to attend any calls, even emergencies, in the area, which includes Cardiff.

'Parental choice' defeat in Lords for Government

THE GOVERNMENT was heavily defeated in the Lords yesterday at the start of the line-by-line study of the Education Bill—which can compel local authorities to go comprhensive.

By 141 to 59 (majority 82), a Tory proposal to include in the Bill the degree of parental choice laid down in the 1944 Education Act was accepted.

The opposition amendment said that pupils should be "educated in accordance with the wishes of hteir parents as provided for in Section 76 of the Education Act, 1944."

The Tory education proposal also stressed another requirement of the 1944 Act—the duty of local authorities ot provide for secondary schools "sufficient in number, character and equipment" to afford opportunities for the variety of instruction and training needed in view of the different ages, abilities and aptitudes of the pupils.

Moving the amendment Lord Elton said the Conservative Party did not quarrel with the principle of comprehensive education, only with the blind, doctrinaire and universal enforcement of it.

Conservatives believed the interests of children, parents and elected local authorities should take precedence, in that order.

Intervening, Lord Donaldson, for the Government, said that what Lord Elton was saying had nothing to do with the commit tee stage of the Bill.

Dictator

But he did not regard Lord Elton's proposal as a wrecking amendment. "It is unnecessary in this Bill because the Bill already affirms the point Lord Elton is trying to make."

Lady Emmet (C), said the Bill would make the Minister of Education a dictator.

Lord Beaumont of Whitley, for the Liberals, supported the amendment.

Lord Eccles, a former Conservative Education Minister, said that, instead of trying to approach gradually what would be a universal system of non-selective schools giving the best possible education to all children, the Bill promised a "surgical operation" which would further damage parts of the education system which were by no means satisfactory.

Early sections of the Bill were a very great extension of the Education Secretary's present powers and were contrary to the letter and spirit of the 1944 Act.

It was remarkably foolish of the Government not to reaffirm the principles laid down in the 1944 Act.

CAA may lower cash bond

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Civil Aviation Authority is now ready to consider cuts in the level of cash bonds which it requires from air travel organisers as a potential cushion against financial failures in the travel industry.

At present, the bonds required stand at 10 per cent. of annual turnover in the case of members of the Association of British Travel Agents and at 15 per cent. in the case of non-ABTA members. The CAA is now willing to consider cutting these levels to 7 per cent. and 10 per cent. respectively.

The CAA said yesterday that it believes that because of inflation and other factors—the bonding levels have become too high, and, by reducing th eassets available for normal day-to-day trading, have the effect in some cases of weakening rather than strengthening the companies involved.

"For this reason, the authority has concluded that a lowering of bonding levels will make financial failures less likely and therefore provide a more firmly-established basis for protecting the interests of passengers booking through licensed air travel organisers."

The CAA said that it felt cuts in bonding levels would not lower the level of protection for customers, and that before agreeing to cuts in an individual tour organiser's bond, the authority would need to be satisfied that the assets released would be used to strengthen that company's financing of its travel arrangements.

New Renault saloon

BY STUART ALEXANDER

RENAULT launches a middle-range family saloon to-day. The 20TL uses the well-tried 1647 cc engine from the 16TX but with a larger five-seater five-door body from the 30 range. The car, which has been on sale in France since last November, will be £3,299.40 in the U.K. with an extra £327.83 for automatic.

The car fills the gap between the 16TX and the 2.7 litre V6 30TS although the 15TL and 17TL will continue. Competitors in the price range include the Ford Granada 2000 GL, the Princess 2200 HL, the Saab 99GL, the Peugeot 504 GL, the Lancia Beta 2000 and the Triumph 2000TC, all of which have bigger engines.

A U.K. sales target of between 8,000 and 10,000 cars a year has been set for the 20TL. In its marketing Renault is emphasising the safety features of the 102 mph car such as dual circuit brakes with ventilated front discs and "progressive crushability" of the front and back ends.

The introduction of the 20TL is indicative of Renault's determination to gain a larger share of the middle executive car market.

Hopes for offshore industry 'lie abroad'

By Kevin Done, Industrial Staff

THE BEST prospects for Britain's growing offshore service industry must lie overseas, Mr. David Steel, chairman of British Petroleum, said last night.

It was encouraging that British suppliers and contractors had increased their share of the U.K. North Sea markt from e40 pr cent. in 1974 to 52 per cent. in 1975, worth a total £613m.

But it was more important that U.K. capacity should match the continuing needs of the offshore industry worldwide, rather than making available every last piece of equipment from domestic sourrces for the North Sea market.

"We must be doubly careful to see that the U.K does not become a protected area for homegrown hot-house plants which cannot survive in the chilly climate of international competition.

"Also, that foreign governments do not come to view the U.K. as a privileged nursery for British industry, thereby inviting retaliation and discrimination in potential overseas markets."

Mr. Steel told the annual dinner of the Council of British Manufacturers of Petroleum Equipment that according to BP assessments, about two-thirds of total recoverable reserves in the U.K. North Sea had been found.

"It is likely that at least 20 times more oil will be discovered offshore in the world than remains to be found in U.K. waters.

"The U.K. sector was not an end in itself. It was a springboard towards selling highly developed skills in many countries where offshore search was spreading, and given the state of sterling, at highly competitive rates.

U.K. waters could not continue for ever to provide a full range of jobs, and some skills could become redundant before long, although there would still be opportunities in offshore maintenance.

Executive post at Taylor Woodrow

Mr. John Topping, chairman and managing director of Taylor Woodrow Property, has been appointed to the Board of TAYLOR WOODROW LIMITED, the parent company.

★

Mr. Denis Lanigan, chairman of J. WALTER THOMPSON and formerly managing director, will relinquish the chairmanship from October 11. He is succeeded by Mr. Jeremy Bullmore, who was head of the Creative Department until his appointment as deputy chairman in March 1975. In addition, two new deputy chairmen are appointed, Mr. Hugh Miles and Mr. Alec Morrison.

★

Mr. J. G. Henderson, a former general manager of Eagle Star and a past president of the Insurance Institute of London, has been appointed chairman of INVESTORS PLANNING ASSOCIATES.

★

M. G. J. Bouveret, manager of the branch of Banque de l'Indochine et de Suez in London, will be appointed shortly managing director of CREDIT FONCIER DE MONACO. M. G. de la Presle and M. G. Barry, managing directors of Banque de Suez (U.K.), have become managers of Banque de l'Indochine et de Suez, together with M. X. Tarneaud. M. de la Presle will take up this assignment immediately but M. Barry will remain full time at Banque de Suez (U.K.).

★

Mr. A. G. Stace, director and company secretary of ROBERT STACE since 1949, has retired but will retain his links with the company in an advisory capacity. Mr. T. K. Akhurst, chief accountant, has been appointed to take on the further duties of company secretary.

★

Mr. A. E. C. (Tony) Eastaugh has become managing director of Public Attitude Surveys. He succeeds Mr. F. George Wigglesworth, who is retiring after 19 years as managing director, and is being retained in an advisory role.

★

Mr. B. Richman has joined DEBENHAMS and has been appointed a director of the Department Store Divisional Board.

★

Mr. John Sparey has been appointed secretary of the INSTITUTION OF MUNICIPAL ENGINEERS in succession to Mr. A. Banister. Mr. Sparey will join the Institution on December 1 and will take over from Mr. Banister on January 1.

★

Mr. K. G. Brooks has been appointed an assistant director of STEWART WRIGHTSON (MARINE).

★

The B.B.A. Group has appointed Mr. John D. Blackford as managing director of its mechanical handling division, SOVEX MARSHALL.

★

Mr. Brian Fox has been appointed sales director of HORNBY HOBBIES, a member of the Dunbee-Combex-Marx Group.

★

In view of his increasing involvement with the parent company, both at home and abroad, Mr. G. R. Wooldridge has decided to resign his chairmanship of both BULPITT AND SONS, and GOBLIN (B.V.C.), whilst remaining a director. Mr. T. O'Neill is appointed chairman of Bulpitt and Sons and Goblin (B.V.C.), and Mr. J. W. Cadman becomes managing director of Goblin (B.V.C.).

★

Mr. Horton P. Kennedy has been appointed as vice-president and general manager of REPUBLIC NATIONAL BANK OF DALLAS, London branch. Previously he was vice-president in the international department in Dallas.

★

Mr. M. D. McWilliam, a general manager of Standard Chartered Bank, has been appointed a director of MOCATTA and GOLDSMID and the COMMERCIAL METAL COMPANY in succession to Mr. John Wilson.

★

Mr. V. R. G. Ashcroft-Hawley has resigned from the Board of directors of WATTS, BLAKE, BEARNE on reaching the age of retirement. Mr. T. P. V. Robertson is to be marketing director from October 11.

★

Mr. Peter Simmons has been appointed managing director, European operations by the THETFORD CORPORATION, U.S.A. He was formerly general manager of Thetford (Aqua) Products, the Corporation's United Kingdom company.

★

Due to reorganisation of divisional and subsidiary company management responsibilities, the Board of TOOTAL has announced the following appointments: Mr. A. G. Hilton is to succeed Mr. D. W. Allen as chairman of African printing division. Both Mr. Hilton and Mr. Allen are directors of Tootal. Mr. G. W. Stow, managing director, Rhenania AG, is appointed U.K. sales director, Thread division, English Sewing, in succession to Mr. R. H. Bull. Mr. D. Frenz, marketing manager of the Europe fabric division becomes managing director of Rhenania AG. At the same time Mr. D. R. Gardner is to be chief executive of Business Area 1, fabric division, and retains responsibility for fabric division export, and Mr. D. W. Thornton, chief executive, Business Area 3, fabric division is appointed a director of the fabric division.

★

Mr. Nicholas Pettigrew has retired from the Board of CRONITE GROUP. He will continue in his association with the group, as a consultant with special regard to the development of exports.

★

Mr. John Wilson, until recently senior general manager of Standard Chartered Bank, has been appointed to the Board of BOUSTEAD.

★

Mr. James Robertson-Walker, former U.K. general partner of Peat, Marwick, Mitchell, has been appointed a local director of the Birmingham Board of BARCLAYS MERCHANT BANK.

★

Mr. J. W. E. Walker has been appointed as director and general manager of BURMAN AUTOMOTIVE COMPONENTS INTERNATIONAL. The company is a member of the Duport Group.

★

Dr. David Lewis Davies, has been made chairman of the Attendance Allowance Board. Dr. Davies will take over as chairman from Lord Amulree, who retires at the end of his present term of office on October 18.

★

Mr. Michael Ernest Beckett, an executive director of Consolidated Gold Fields, has been appointed to the Board of BRITISH INDUSTRIES AND GENERAL INVESTMENT TRUST, a company managed by Drayton Montagu Portfolio Management.

★

Mr. B. M. P. Thompson-McCausland has become a director of the LONDON LIFE ASSOCIATION.

★

GRAND METROPOLITAN has stated the resignation as a director of Mr. Eric Bernard, who is to take up an offer made to him from the United States.

★

Mr. Alfred A. Davis has been appointed to the Board of the UNITED INDUSTRIAL COMPANY as a non-executive director and chairman. Mr. Hillman-Eady has relinquished the appointment of chairman in order to devote more time to develop the company's business in France; he remains a director of the company. Mr. Christopher Drake, the group's secretary and chief accountant, has also been appointed to the Board.

★

Mr. Michael Kermian has become world-wide marketing director of PERGAMON PRESS, and has also been elected a director.

★

Mr. Henry Ballantyne has been appointed executive vice-chairman of the LIVERPOOL PORT EMPLOYERS' ASSOCIATION and will take up his post on October 18.

★

Mr. N. N. Proddow is to become secretary of PEARL ASSURANCE from November 1. He succeeds Mr. T. J. Leech who resigns from his post on October 31 but will continue as a non-executive director.

★

COLVERN states that Mr. J. R. Wray has joined the Board as works director.

★

Sir Michael Young-Herries has been appointed chairman of the ROYAL BANK OF SCOTLAND. He succeeds Sir James Blair-Cunynghame who, having retired as chairman, retains his seat on the Board.

★

ROBERT DANIEL FOOD GROUP, the Fitch Lovell cash and carry company, has appointed Mr. Harold Bolt as buying director and Mr. Jack Stokes as operating director.

★

Mr. Alan Chandler has been appointed secretary general of the UNITED KINGDOM PROVISION TRADE FEDERATION.

★

R.K.T. TEXTILES has made Mr. D. E. Gourlay a member of the Board.

★

RONEO VICKERS states that Mr. Robert Gardner has become managing director of the mailroom division.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161.) ENGLISH NATIONAL OPERA Tonight, Sat., & Tue. 7.30 Don Giovanni; Tomor. 8 Last perf. this season of Salome; Wed. 7.30 Delibes.

COVENT GARDEN. 240 1066. (Garden-charge credit card booking 836 6903). THE ROYAL OPERA DER RING DES NIBELUNGEN Tonight at 5.30: Siegfried. Sat. at 5.30 Gotterdammerung. Oct. 21 at 7.30: Macbeth THE ROYAL BALLET Oct. 15, 16, 18, 19, 20, 22 at 7.30: Anastasia Oct. 19, 16 to 18 with Seymour Sibley. 65 Amphi seats for all perfs. on sale from 10 a.m. on day of perf.

SADLER'S WELLS TH. Rosebery Ave. EC1 837 1672. Eve. 7.30. Sat. Mat. 2.30. THE SADLER'S WELLS ROYAL BALLET Ton't Tomor. & Sat. Mat. Concerto Prodigal Son. Card Game Sat Eve & Mon Les Rendezvous. Prodigal Son. Raymonda Act III Tue. & Wed. The Lady and the Fool Summertide. Raymonda Act III

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0 Sats 4.0 IRENE "LONDON'S BEST NIGHT OUT SPECTACLE . CAPTIVATING TUNES AND RACY COMEDY" People IRENE "SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING" D Express. IRENE "WILL TAKE LONDON BY STORM." News of the World NOW BOOKING TO MARCH 1977 MAT TODAY 3.0 Seats from £1.

ALBERY. 836 3878. Evenings at 8.0 Mats. Thurs 3. Sats. 5 and 8.15 sharp National Theatre production MICHAEL JAYSTON ZOOUS by PETER SHAFFER Directed by John Dexter. "STUNNING AND COMPELLING." Ltd

ALDWYCH. 836 6404 Ind. 836 5332. ROYAL SHAKESPEARE COMPANY In Arbuzov's OLD WORLD Reg price prevs. tonight, tomor Sat., Mon. 7.30 First Night Tues. 7.0. In repertoire with Bernard Shaw's THE DEVIL'S DISCIPLE and Chekhov's IVANOV.

AMBASSADORS. 836 1171. Preview Oct. 19 at 8. Opens Oct. 20 at 7 Subs. Eve 8. Tues. 2.30. Sats. 5.30. 8.30. NIGEL PATRICK. PHYLLIS CALVERT ISABEL DEAN JENNIFER HILARY in Denis Cannan's new play DEAR DADDY Dinner Top price seat £6.30 incl

AMBASSADORS. 836 1171. Evgs. 8.00. Mat. Tues. 2.30. Sat. 5.30. 8.30. HAPPY AS A SANDBAG 2nd year of Delightful Hit Musical "Wonderful Don't Miss It" D. Tel. Dinner. Top price seats £6 incl.

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thur. 3.00 Sat. 5.30 and 8.30 Pauline COLLINS John ALDERTON "are BRILLIANT" D Express in CONFUSIONS "Super Alan Ayckbourn gives audience such a wonderful evening" Sun. Times.

ARTS THEATRE. Mon to Thurs. at 8.30. Friday and Saturday 7.30 and 9.15. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times.

CAMBRIDGE. 836 6056. Evenings 8.00 Mat Wed. 3.00 Sat. 5.00 and 8.15. "BLAZES INTO DRAMATIC LIFE" Div. Express. Peter Wenngarde, Elspeth March. "Nurse Dawn Porter is superb." Mirr. ANASTASIA "GRIPPING FROM START TO FINISH." Time Out "GLITTERING." Mail "ROMANTIC." E.S. "FASCINATING MYSTERY" D. Telegraph "YOU WILL GET FULL VALUE" D Mail. FOUR WEEKS ONLY Price £1 to £3.

COMEDY. 930 2578 Evenings 8.0. Mat. Thurs. 3.0. Sat 5.30 and 8.30. Winner of all the Awards BEST PLAY OF THE YEAR Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED Directed by Harold PINTER

CRITERION. 930 3216. LAST WEEKS. Evgs. 8 Mats Thurs. 3. Sat 5.30, 8.30 ALEC McCOWEN MICHAEL BRYANT JUDY PARFITT. ANNETTE CROSBIE in THE FAMILY DANCE by Felicity Browne "Very funny, perfect entertainment." S.Tm.

DRURY LANE. 01-836 8108. Evenings 8 sharp. Mat. Wed. and Sat. 3.00. A CHORUS LINE "A RARE DEVASTATING JOYOUS ASTONISHING STUNNER" Sun. Times

DUCHESS. 836 8243. Evenings 8.0. Fri. Sat. 6.15 and 9.0. OH! CALCUTTA! NOW IN ITS 7th YEAR "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning" D. Tel. BOOKING THROUGH SPRING 1977

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Wed., Sat. 5.00 and 8.45 TERRY JUNE SCOTT WHITFIELD A BEDFULL OF FOREIGNERS "GENUINELY HILARIOUS." Gdn.

FORTUNE. 836 2238. Mon.-Fri. 8. Sat. 5 and 8. Thurs. 3. Avril ANGERS. Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE 2nd GREAT YEAR

GARRICK THEATRE. 01-836 4601. Evenings 8.00. Fri. Sat. 6.00 and 8.40 RICHARD BECKINSALE in "Side-splittingly funny." Daily Mail. IN FUNNY PECULIAR "Mike Stott's exceptionally fine, vastly entertaining brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

GLOBE. 01-437 1592. Evenings 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40 PETER BAKWORTH. PETER JEFFREY and PENELOPE KEITH "The funniest woman in the West End." Guardian DONKEY'S YEARS "MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror

GREENWICH. Croom's Hill, S.E.10. 858 7755 Opens tonight at 7.00 Subs. Evgs. 7.30. Mat. Sat. 2.30. SCRIBES by Barrie Keeffe.

HAYMARKET. 01-930 9832. Previews Int. Tmr. Mon. Tues. 7.45 Sat 5.00 and 8.15. Open Wed 7.00 Subs Eves 7.45 Sat 5.00 and 8.15 Google WITHERS Susan HAMPSHIRE John McCALLUM Clive FRANCIS Martin JARVIS and Bill FRASER in The Chichester Festival Theatre's Production of Somerset Maugham's THE CIRCLE

THEATRES

HER MAJESTY'S. 930 6606. Eves at 8. Fridays and Saturdays 5.45 and 8.30. IPI TOMBI "PULSATING MUSICAL" Evg. News. Seats £3 to 50p

KING'S ROAD THEATRE. 352 7488. Mon. to Th 9.00 Fri. Sat. 7.30 9.30. THE ROCKY HORROR SHOW "BEST MUSICAL OF THE YEAR" "Impossible to overpraise." Punch NOW IN ITS 4th ROCKING YEAR.

LYRIC. 01-437 3686. Evenings 8.00. Matinees Wed 3.0. Sat 5 and 8.30. SHEILA HANCOCK. JOHN MOFFATT in THE BED BEFORE YESTERDAY A Comedy by BEN TRAVERS "STILL THE FUNNIEST COMEDY IN LONDON." Daily Mail

LYTTELTON (new National Theatre). 928 2252. Ton't. Mon. & Wed. 7.45 Sat 6.00 BLITHE SPIRIT by Noel Coward: Tomor. & Tue. 7.45 Sat. 2.30 Weapons of Happiness: Orr 100 excellent £1 seats on sale day of performance from 8.30 a.m

MAYFAIR. 629 3036. 439 2031 Evgs 8.15. Fri., Sat 6.0 and 8.45. ANNA RUSSELL "She really is the crowned clown queen of musical satire." D. Mail. "Last night's audience hysterical with laughter." F.T. Seats from £1.10. Dinner-Show £6.00.

MERMAID. 248 7656. Food 248 2835. Evenings 8.0. Mat Sat 5.0 FOR KING AND COUNTRY by John Wilson "A riveting production . . . as splendid a play as 'Journey's End'." Daily Exp. "Compulsive . . . Paul Copley is simply superb." Daily Telegraph Restaurants open noon and 6.30.

NATIONAL THEATRE. See under OLIVIER AND LYTTELTON.

NEW LONDON. Drury Lane. 405 0072. London's New Saucy Comedy Katy Manning Peter Denyer Primi Townsend and Jeff Rawle in SO WHO NEEDS MEN? Opens tonight at 7pm. Tomorrow 8.45pm

OLD VIC. 01-928 7616. Prevs tnt Tmr. 7.30. Sat 3.0 & 7.30. Opens Mon 7.0. Subs. 7.30. Mat Sat 3.0 LEONARD ROSSITER JOHN STRIDE. DILYS LAYE JOHN PHILLIPS in PETER BARNES' FRONTIERS OF FARCE by FEYDEAU & WEDEKIND

OLIVIER (new National Theatre) 928 2252 Tonight at 7.00 PLAYBOY OF THE WESTERN WORLD by J. M. Synge Sat. Mon. & Wed. next at 6 sharp Tamburlaine the Great OVER 130 EXCELLENT £1 SEATS ON SALE DAY OF PERFORMANCE FROM 8.30 A.M. BOOK NOW

PALACE. 01-437 6834. Mon.-Thur. 8.00. Fri. Sat. 6.00 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. Opens Mon., Oct 11 for 1 week. Mon 7.30. Tues. to Sun inc Thurs. at 8.0. BRUCE FORSYTH in his own "one man" laughter show VERY GOOD EDDIE "LOVELY to look at . . . DELIGHTFUL to hear and HEAVEN to watch" D Express. "Absolutely enchanting . I really loved it." N.Y. Times OVER 200 PERFS

PHOENIX THEATRE. 01-836 8611. Evgs. 8.15. Fri., Sat. 5.45 and 8.45. CARTE BLANCHE "SEXUAL EXCITEMENT." Times "VISUALLY STUNNING" S. Tel. "SUMPTUOUSLY STAGED." D. Tel. Seats from £1.

PRINCE OF WALES. 01-930 8681. Evenings 8.00. Fri., Sat. 6.00 and 8.45. MICHAEL CRAWFORD FRANCES CUKA in SAME TIME NEXT YEAR "SIMPLY GREAT." Daily Mail. "TRIUMPH FOR CRAWFORD." D. Exp.

QUEEN'S. 01-734 1166. Evenings 8.00. Sat. 5.00 and 8.30. ALEC GUINNESS NICOLA PAGETT. MARK KINGSTON ANGELA THORNE in VANITY An entertainment based on the life of JONATHAN SWIFT

RAYMOND REVUEBAR THEATRE. 734 1593. At 7. 9. 11 p.m. (Open Suns.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76 FULLY AIR CONDITIONED. You may drink and smoke in the Auditorium.

REGENT. 323 2707 Evenings 8.30 Friday and Saturday 7.0 and 9.15. THIRD ECSTATIC YEAR New Cast! New Excitement! LET MY PEOPLE COME AN ADULT MUSICAL "News! A gold moment." Evening News. 100 tickets daily for sale at door

ROUNDHOUSE. 267 2564 Oct. 14 to 23 TRADITIONAL JAPANESE DRUMMING THEATRE AND DANCE ONDEKO-ZA "Unusual and exhilarating." Times.

ROUNDHOUSE DOWNSTAIRS. 267 2564. One Woman play THREE FLAMES with Ann Noble. 8 p.m. until 16 October.

ROYAL COURT. 730 1745 Evenings 8.00 Saturdays 5.00 and 8.30 MOTHERS DAY A comedy by DAVID STOREY See also THEATRE UPSTAIRS.

ST. GEORGE'S. 01-609 1188. 49 Tufnell Park Road, Islington, N.7. (Tufnell Park Tube) All unsold seats after 7.30 p.m £1.00 for OAPs and students Mon., Tues. 7.30. Wed 2.30 and 7.30. PETER MERNERY SARAH BADEL in ROMEO AND JULIET Thur., Fri. 7.30 Sat 2.30, and 7.30. ALAN BADEL in RICHARD III SEASON CLOSES OCTOBER 19. THEATRE REOPENS MARCH 1.

SAVOY. 836 8888. Evenings at 8.00 Sat 3.00 and 8.00 Matinees Wed. 2.30 ROBERT MORLEY GEORGE COLE in BEN TRAVERS' BANANA RIDGE "HILARIOUS SUCCESS" D Tel.

ST. MARTIN'S. 836 1443 Evenings 8.00. Mats. Tues at 2.45 and 5.0 and 8.0. AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run, 24th Year.

SHAW. 01-388 1394. Evenings 7.30. ROMEO AND JULIET

THEATRES

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs 3.00 Sat. 5.30 and 8.30. Dora Hart. McDonald Hobley. Arthur Howard Harry Secombe NO SEX PLEASE— WE'RE BRITISH Directed by Allan Davis SIX HYSTERICAL YEARS

TALK OF THE TOWN. 01-734 5051. FULLY AIR CONDITIONED From 8.15. Dining Dancing At 9.30 Revue SWEET TEMPTATION and at 11 p.m. JULIE ROGERS.

THE UPSTAIRS. 730 2554. Eves. 7.30 JOINT STOCK in LIGHT SHINING IN BUCKINGHAMSHIRE by Caryl Churchill.

VAUDEVILLE. 01-836 9988 Evgs. 8.0. Mats. Tues. 2.45. Sat 5.00 and 8.15. GERALD HARPER HANNAH GORDON UNA STUBBS. PRUNELLA GEE in BAGGAGE "WITTY AND VERY FUNNY." E. News LAST 2 WEEKS.

VICTORIA PALACE. 01-834 1317. Opens November 10 A Lavish Revue. CILLA AT THE PALACE with her friend JIMMY TARBUCK

WHITEHALL. 930 6692-7765. Evgs. 8 Sat. 5.00 and 8.45. Mats. Wed. 3.00. BRIAN RIX "A MARVELLOUSLY COMIC" Ev. News. Terence ALEXANDER Jan DOWNS PRINCE BENEFITS Supper and Top-price seats £5.30 inc.

WINDMILL THEATRE. 437 6312 Twice Nightly at 6.0 and 10.0. PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA An exciting French production. You may drink and smoke in the Auditorium. "Takes to unprecedented limits what is permissible on our stage" Evening News

WYNDHAM'S. 836 3028. Eves. Mon.-Fri. 8. Sats. 5.15 and 8.30. Millicent Martin, John Newcombe, David Kernan New Revue in SIDE BY SIDE BY SONDHEIM "If you are planning to spend one evening in the musical theatre this year, I urgently suggest you make it Side By Side by Sondheim. If you are planning to spend two GO TWICE" Punch "GO THREE TIMES" Clive Barnes NYT.

YOUNG VIC. (nr Old Vic) 928 6363 YOUNG VIC COMPANY RETURNS in A MAN FOR ALL SEASONS (Tonr. Tomor. Sat 7.45) and ANTONY & CLEOPATRA (Tue., Wed. Oct. 14, 16 at 7.45 Oct. 15 at 7). All seats 80p

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. Sep. perfs. ALL SEATS SKELL. 1) PICNIC AT HANGING ROCK Wk. and Sun 1.45 4.40 7.50 2) SEVEN NIGHTS IN JAPAN and Sun. 2.00 5.15 8.15

CASINO. Old Compton St. GOODBYE NORMA JEAN (X) 2.45. 5.20. 8.00. Sun 3.30. Late show Fri., Sat. 11.15 p.m.

CURZON. Curzon Street, W.1. Katharine Hepburn. Paul Scofield DELICATE BALANCE (A). Fri (not Sun.). 3.40 6.0. 8.20. Late

EMPIRE, Leicester Square. 437 12 seats may be booked at the box by post. LOGAN'S RUN (A). Sep Progs. 2.30 5.30. 8.30.

ODEON, Haymarket. 930 2738 TAXI DRIVER (X). Sep. progs. 4.45 8.15. Late show Fri. & Sat. Fr. times Mons.-Sats. 2.45 5.50. Late show Fr. 12.30. may be booked.

ODEON, Leicester Square. THE OMEN (X). Sep progs. Daily (Not Sun.) 2.55. 5.40. 8.35. Fri Sat. 11.45. Seats bkbl at Box Office for Mon.-Fri. and Sat. and Sun all progs.

ODEON, Marble Arch. BUGSY MALONE (U). There's Bed A Movie Like It. Sep. 2.30. 5.30. 8.30. Late 11.45 p.m. All seats may be

PLAZA 1 and 2 Lower Regent S.W.1. 437 1234. Sep. perfs. bookable Eve. perf. Box Office to 7pm (not Sun.) No shows 1. OBSESSION (AA) Daily 2.05. 5.25. 2. THE SHOOTIST (A) 2.30 4.35 6.40 8.45.

PRINCE CHARLES Leic. Sq. 437 Now in Her 3rd Sensational One and Only Original Bilbo (X) Sep Perfs Div Inc Sun 9.00 Late show Fri and Sat Bible Lic'd Bar.

SCENE 1,2,3,4. Leic. Sq. WHERE 439 4470 SCENE 1. Cont Perfs Div 12.30 Fri and Sat 11.55 Rediscovered THE PRESIDENT'S MEN (A) Sep perfs. 2.05 5.05. 8.05 Late 12.30 2.55 5.55 8.55 Lte Show Sat 11.55. SCENE 2. Cont Perfs Div 12.55 Fri and Sat 12.00 DIRTY HARRY (X) 3.05 5.20 7.30 9.45 Lte Show Sat 12.00. SCENE 3. Cont Perfs Div 12.45 Fri and Sat 11.30 THE MEN 1.20 3.45 8.05 Lte Show Fri 11.30 SCENE 4. Cont Perfs Div 12.55 Fri and Sat 11.50 JAWS (A) 3.35 6.20 9.05 Lte Show Sat 11.50.

WARNER WEST END Leicester Square. Tel 439 0791 1 REDFORD.HOFFMAN ALL THE PRESIDENT'S MEN Sep perfs. 2.05 5.05. 8.05 Late 2. CRY ONION (A). Cont. progs 4.35 6.50. 9.30. Late show Sat 9.0 a.m. 3. STANLEY KUBRICK'S BARRY LYNDON (A) RYAN MARISA BERENSON Fully licensed. Sep. progs 2.30. 7.0 show Sat. 11.00. 4. CLINT EASTWOOD THE OUTLAW JOSEY WALES Sep progs 2.30 5.10. 8.00. Late Fri & Sat. 11.00.

ART GALLERIES

COLNAGHI'S. 14. Old Bond St. 01-491 7408. ENGLISH COLOURS DRAWINGS AND INKS. Until 21 October. 9.30-5. Sats. 10-1.

MARLBOROUGH. 6 Albemarle St. Roger HELLENS 1st London Exh. GRAPHICS. Nellens and Hedinger prints arts. Until 28th Oct. Mon.-Fri. 10-5.30 Sat. 10-12.30.

ROYAL ACADEMY OF ARTS. 01-734 0052. L. S. LOWRY R.A. Until 10-6 DAIL. Adm. 60p. 30p OAPs and unf 1.45 p.m. on Sundays. THE MICHELANGELO MASTERPIECE OTHER TREASURES IN THE ROOMS including a Memorial to Richard Dorfman R.A. Until 17th Wkdys. 10-6 closed Tuesday.

OWELL GALLERIES. 40. Albemarle Piccadilly W.1. ENGLISH LANDSCAPES RIVERS AND VILLAGES" Paintings by JOHN NEALE oils watercolours STEPHEN THOMPSON Until Oct.

CLUBS

EVE. 189 Regent Street. 734 0557 Paris on Air-in Menu Thurs Sat Floor Show 10.45 12.45. 1.45 music of Johnny Hawksworth & Co.

GARGOYLE. 69 Dean Street. Lond STRIPTEASE FLOORSHOW SEX UNLIMITED Show at Midnight and 1 a.m. Mon.-Fri. Closed Saturdays

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SECURITY

Assessing the cost of privacy

POTENTIALLY, the impending Government legislation on the protection of personal data held in computer files could mean high costs for the many computer users who maintain such data.

Depending on the degree of confidentiality demanded, it is possible to foresee the imposition of new requirements making access to filed information much more tightly restricted than hitherto, with a consequent need for data scrambling, personalised terminals and the rest, together with considerable alterations in the way computer centres are run.

Work on safeguarding data has been undertaken largely hitherto to prevent computerised fraud, which in the U.S. and elsewhere has been gaining ground in a startling way. Many of the safeguards apply equally to protecting confidential files.

Some idea of what costs are involved can be gained from the fact that two years ago IBM earmarked a sum of £40m. for research and development in this particular area of information handling.

Apart from publishing a large collection of volumes on — mainly — large-scale security case studies, IBM has said comparatively little. This is understandable, however, when it is accepted that for the company widely to publicise the measures it was taking to foil fraud would give fraudulent experts that much more time to work out new means to defeat these measures.

National Computing Centre has published a 165-page volume devoted to the question of security, couched mainly in non-jargon terms and thus available to management at large. Most managers will at some time be involved, closely or indirectly, with security problems and because of the rapid spread of data processing with computers.

Because there is so much debate on the personal privacy question, both in Britain and the U.S. and because the Government is moving quite rapidly towards legislation, the Computing Services Association, many of whose members have long experience of security — especially when running systems shared between several hundred users, is calling together a one-day seminar to provide users with as much fact as is available.

It will provide a platform for five authorities on Government proposals and the obligations these will place on the thousands of companies and agencies which maintain some form of computerised personal data filing.

Seminar chairman is Mr. Paul Sieghart of Sieghart Carmichael and Partners, member of the Home Office's Data Protection Committee which is advising on the drafting of the Bill to go before Parliament and one of the co-authors of the White Paper —Computers and Privacy.

Dr. Robert Goldstein of the University of British Columbia, author of "The Cost of Privacy" and an authority on the cost of implementing the legislation introduced recently in the U.S., will be the principal speaker. The panel will also include Mr. Parry Rogers, director of personnel at Plessey; Mr. Gordon Jones, general manager, personnel division National Westminster Bank, and Mr. Alan A. Benjamin, director general of the CSA.

ICL has several research and development projects in hand which are intended to provide safeguards to centres using its equipment. The company is not prepared to put a figure to the work completed or in hand, but it does point out that a number of major contracts have been concluded for MoD sites. There certain "special effects" are required which inevitably must have a spin-off into ordinary commercial practice.

Further information on the event, which takes place on November 11 at the London Hilton, from CSA, Craven House, 121, Kingsway, London WC2B 6PG. (01-405 2171.)

● COMPUTING

European allies sought

CTL has signed a major agreement with a West German computing and software specialist and is seeking other partners in Europe.

The agreement between CTL and Information Computer Systems GMBH (ICS) provides for co-operation in the marketing in Germany, of CTL's recently announced Series 8000 computers. ICS is based in Kulmbach and is headed up by Werner Preisberg, formerly of ICL Germany, where he was responsible for sales in the public market sector.

Initially ICS plans to market CTL's Series 8000 computer systems for commercial applications, although early successes in the public sector are expected. CTL on 0442 3272.

Designs to aid many users

THREE NEW Series 60 Level 66 computers optimised for time-sharing performance are introduced by Honeywell following the launch of a new entry-level system in the large-scale Series 60 Level 66 line, the Model 66/05.

Part of a planned series of big-computer enhancements, the new time-sharing equipment, designated Models 66/07, 66/17 and 66/27, will use the GCOS time-sharing software, but support large numbers of simultaneous time-sharing users. The biggest will support 100 or more average users simultaneously.

A basic model 66/07 with 131K words of main memory and a Datanet 6624 front end network processor to support 24 asynchronous communications lines will sell at around £490,000. Purchase price of the Model 66/17 with 131K main memory and the same Datanet accommodating 48 lines is £630,000. Model 66/27 with 256K main memory and a Datanet 6632 supporting 80 or more communications lines will sell at £930,000.

Deliveries in the U.K. will begin in early 1977.

● MATERIALS

Glass fibre board to resist fire

NON-COMBUSTIBLE building board, containing no asbestos, and stated to be suitable for applications where fire-resistant qualities are required, has been developed by Echoston Systems, Rectory Grove, London S.W.4 (01-622 6633), a Clark and Fenn subsidiary.

Called Plastaglass, it is made from gypsum plaster reinforced with glass fibre, and has been primarily designed for forming upstands, soffits and margins in association with acoustic tiles and suspended ceilings.

Available in standard boards, 1800 x 900mm, in two thicknesses, 9.5 and 12.5mm, it weighs 10.114 kg/square metre, and can be worked with normal hand tools.

Thermal conductivity is low (K=0.47 at 20 deg.C), and resistance to flame penetration is stated to be at least 60 minutes. The maker says the board meets the appropriate BS specifications, and can be used for smoke and plenum barriers, fire checks in ceiling voids, and column casing for structural steelwork.

Two other asbestos-free board materials for use in the construction of industrial ovens and driers for thermal insulation of heated hydraulic presses, and capable of handling molten metals up to the melting point of aluminium and its alloys (750 deg.C), have been launched by Cape Boards and Penels, Iver Lane, Uxbridge, Middlesex UB8 2JQ (Uxbridge 37111).

Monolux 40 can be used for oven construction where only a light steel framework is required to which the boards are fixed, while Monolux 50 is a lighter alternative to castable refractories and can be used for self-supporting launders and troughs. Both can be used as a replacement for asbestos-based board, and have comparable thermal and mechanical qualities, says the company.

Board sizes up to 3050 x 1220mm, in thicknesses from 12 to 50mm are available, together with high temperature adhesives, enabling the boards to be bonded into machinable blocks, for large components. The board is based on a calcium silicate matrix reinforced with selected fibres and fillers.

● COMPONENTS

General purpose counter

OFFERING A good range of facilities between DC and 100 MHz is the TC312 general purpose frequency counter introduced by Gould Advance, Roebuck Road, Hainault, Essex, 1G6 3UE (01-500 1000).

The instrument incorporates a Sperry-Beckman seven-segment display, easily readable over a wide viewing angle, with functions and controls carefully grouped on an ergonomically designed front panel.

Six- or eight-digit displays are offered which indicate the frequency units applicable; the decimal point is automatically positioned. Gate open and overflow indication is provided by front panel LEDs.

Other facilities include variable display time, a choice of store or follow mode and an optional binary coded decimal output. Input attenuators and filters are provided.

The instrument, which has a 10MHz internal crystal standard with an accuracy of one part in 1m., measures 110 x 375 x 290 mm. and weighs 3.6 kg. It can be supplied for 19-inch rack mounting.

Measures the heat transmitted

PUT ON the market by Glorius Meters of Dorking is an instrument which electronically integrates flow of water with difference in temperature between flow and return circuits, to give a reading of heat transferred on a counter.

Temperature-resistance related paired probes, protected by stainless steel pockets, transmit the required information to the integrating control which can be wall or panel mounted.

In addition to the read-out of heat (in BTU or international units) and the flow (on a similar counter), the instrument also provides a continuous temperature differential reading together with instantaneous indication of flow and return temperature. Automatic compensation for water density maintains accuracy over a wide range of temperature.

An important feature is that maintenance can be undertaken without disturbing the continuity of the meter readings: unit construction of the flow meter internal mechanism allows on-site substitution. More from P.O. Box 3, 266 High Street, Dorking, Surrey RH4 QQ (0306 86988).

● ELECTRONICS

Low-power printer

NEW TICKET printer mechanism by Roxburgh Electronics is a miniature unit for OEM applications such as in cash registers, vending machines, etc.

It has been designed to use sprocket-feed, 1- or 2-ply pressure sensitive paper, and contains no inking mechanism. Additionally, the inherent accuracy of the sprocket-type paper feed means that paper can be pre-printed with borders, logos, etc., without danger of misalignment.

The BX-IV prints in a format of 14 columns with 13 characters per column, and offers a print speed of 150 lines per minute. Although it has been designed for mounting horizontally in the end equipment for the advantage of having the first print-out at the top of the page, it functions equally well in any other plane.

An important feature of the BX-IV is its extremely low power consumption. The unit requires a d.c. power supply of only 10v. It incorporates an electronic motor speed control circuit, which ensures that variations of up to 20 per cent. in the power supply voltage have no effect on the performance of the printer.

Roxburgh Electronics, 22 Winchelsea Road, Rye, Sussex, Rye 3777.

● CONFERENCES

Perspective on tungsten arc units

DEVELOPMENTS in the technology and application of tungsten/inert gas (TIG) and of plasma welding processes are the subject of a seminar to be held at the Exhibition Road, London, offices of the Welding Institute on November 30.

These related processes—in TIG an arc is struck between a tungsten electrode and the workpiece, while in plasma the arc is retained in the torch body and welding is carried out using the resulting high temperature ionised gas stream—are used for precision welding, with both manual and mechanised equipment.

Both are used for metals and alloys difficult to join by other methods; for example, stainless steel.

Recent developments in process equipment, power sources, and mechanised handling equipment, as well as factory and site experience will be discussed by speakers from industry and research.

Details from the organiser, the Welding Institute, Abington Hall, Abington, Cambridge CB1 6AL (0223 891162).

● WELDING

Simplified Swedish welder

LATEST MIG welding set from AGA, of Sweden, is the 300, which gives automatic slope control of the power source characteristic and is designed for short arc as well as spray arc for mild steel, stainless and aluminium.

The maker says the unit links voltage, inductance and slope automatically, so that the ideal welding condition is always selected. The operator need only select suitable voltage and current and the power source automatically compensates for the rest.

Current range is from 50 to 300 A and the wire feed is steplessly variable up to 20 metre/minute with thyristor control. Wire feed remains constant during welding as motor voltage drop and mechanical load are both compensated. The wire feed can be mounted on top of the power source or suspended above the work area.

Options include spot welding and water cooling units, a holding switch, current and voltage meters and extension cables.

Details from AGA Welding, Horton Close, West Drayton, Middlesex (West Drayton 4771).

● OFFICE EQUIPMENT

Processor justifies right

FIVE EXTRA capabilities have been added to Adler's TASA 8005 typing system.—One, the ability to set secondary or indented right-hand margins with justified text during final printing, is thought to be unique.

In the improved machines, right-hand justification of copy during final printout is automatic, for the entire document. This, with the capability for setting "soft" or indented left and right margins at any point within a page enables text to be presented exactly as an author requires.

Incorporation of vertical tabs will also allow a printer to line-space automatically at specific page positions, irrespective, of the amount of text printed. This is particularly useful for typing forms when accurate positioning is necessary and when preceding text is of variable length.

Text may be recorded immediately as "final or top" copy with headings centred, figure columns aligned, and text underlined, along with all other format instructions, including hyphenation of words, as it is typed. At the same time as a perfect top copy is obtained, all programme codes are recorded for any subsequently necessary editing.

Final innovation is a "category search" routine with facility to seek and to print detailed information which has been stored on tape under various categories. A search command lists the parameters under which the search is to be made and the details to be printed. These details can be merged with such other text as names and addresses in letters.

Adler Business Computers, 160 Borough High Street, London, S.E.1. (01 407 3191).

● HANDLING

Costs are too high

ACCORDING to a report published yesterday by the Department of Industry, far too many manufacturing firms have no clear idea of what it is costing them to handle and move materials about their plants.

The report, called "Materials Handling Costs—a New Look at Manufacturing", is, claims DOI, the first systematic investigation into the subject in the U.K. Some 30 firms supplied data on their operations and costs; half of them have less than 400 employees.

Main conclusion is that in the engineering and allied industries alone some £90m. a year could be saved by improvements in storage and materials handling.

It was also found that handling is costing companies more than its executives thought, the most important single cause being the "ad hoc" expansion of a business in the absence of a strategic site development plan. This contrasts with monitoring of the stock itself, usually considered important and where there was a much higher awareness level.

The report admits however that the right cost level is usually only achieved through careful design from the outset, simply because once a system is operational, changes involve cost and disruption. But it was felt that in 30 per cent. of the companies observed a useful reduction would be possible.

At the median, it turned out that handling storage costs were 12 per cent. of the physical costs of production—a figure that will probably surprise most small manufacturers.

Main object of the report, which is 60 pages long and costs £2.10 from HMSO, is to lead the reader—with the background from the 30 companies—to the point where he can carry out both a method audit and a cost audit of his materials handling operations, so that he can then hope to initiate improvements.

● PROCESSES

Saves rinse water

ELECTROPLATING rinse water can be saved by a rinse tank controller introduced by Beckman-RIIC, 34 Hunting Gate, Hitchin, Herts., SG4 0TS (0462 56671). It is claimed to produce water savings of up to 85 per cent.

Called the RTCS-2 system it controls the solid content of electroplating rinse by automatically turning the make-up water on and off as needed. It is stated that the controller can reduce sewage charges and waste treatment cost, increase plating quality and extend plating bath life. It is operated by an epoxy conductivity cell with built-in temperature compensation and a normally closed solenoid valve.

● POLLUTION

Sao Paulo's doom-watch

PHILIPS has been awarded a unique contract to supply a completely automatic, multi-parameter air monitoring network for the Sao Paulo area of Brazil. This area covers several hundred square kilometres and is populated by about 12m. people.

The air-pollution monitoring network will have 27 permanent monitoring stations spread over the whole Sao Paulo area, and linked to a central data concentrator by digital transmission of pollution data over leased public telephone lines.

A separate sub-contract provides for installation of two mobile monitoring stations which can be moved to random, preselected sites so as to rapidly determine local pollution conditions, or to serve as back-up units for the permanently-installed stations. These mobile stations will be supplied within the next few months.

Main pollution parameters to be monitored include sulphur dioxide, nitrogen oxides, ozone, carbon monoxide, hydrocarbons and dusts. The four main meteorological parameters — windspeed, wind direction, relative humidity, temperature—will also be measured. Apart from recording all data at the central control, local recording facilities will also be included.

The network will also include precipitation equipment, and acoustic radar to predict and calculate thermal inversions.

Pye Unicam, York Street, Cambridge. 0223 58866.

Master of arms · Local government · Furniture

BY MICHAEL DIXON

IF YOU fancied a new suit of armour, Richard Dufty's craftsmen could make you one by traditional methods—hammering out the pieces from flat billets of metal. But it would cost at least £8,000, he reckons, even without any decoration.

The two craftsmen armourers, probably the only ones in the country, are part of Mr. Dufty's staff at the Tower of London, where he lives and works as master of the armouries. At the end of the year he will retire, and the Department of the Environment is looking for his replacement.

When he started the job in 1963, it was part-time and rewarded only by honorarium. By 1972, however, the importance of the post and its small subordinate staff to the nation and the three million people who visit the Tower annually was recognised, and the job was made full-time with the entitlement to rent a home in the Tower and a proper salary, now of £10,260 a year.

The vast collection of weapons and armour in the master's charge—lots of specimens are continually on loan elsewhere—ranks about third equal in importance in the world. Those in Vienna and Madrid are considered superior, and Paris's is a close rival. But, says Richard Dufty, his is the only one still kept in buildings where the historic arms once lay greased and ready for instant use.

In Cromwell's time the tens of thousands of sets of equipment lying handy in the quartermaster's store were increased by the gathering in of the royal collections from various palaces. Over the past century and a half, the Tower has filled in the gaps by buying, lately adding a small assemblage of Oriental armour which "makes much more use of silk and lacing to entangle the sword blade."

The master is still responsible for buying important new specimens, having an annual purchase-grant of £34,000 plus the possibility of gifts from the National Art Collection Fund. Another responsibility is advising the official Export Committee on whether or not items offered for sale should be allowed to go abroad. Advice is also sought by the BBC, film companies, and numerous individuals.

Then there's the Tower's new educational programme and premises—including a well-equipped 100-seat lecture theatre—to supervise. There are matters of documentation and publishing, including the development of a comprehensive catalogue of which the first part, dealing with cannon, should be out by Christmas.

Meanwhile, the collection needs maintaining which is apparently like painting the Forth Bridge, especially since the leather straps that hold the bits of armour together are continually rotting. And the work of changing the display from "typological"—with rows and rows of helmets in one place and rows and rows of something else in another—to chronological order will still be only five-sixths finished when Mr. Dufty leaves.

Whoever replaces him will need expert knowledge within the field of the collection, he says, even though there are assistant keepers specialising respectively in armour, firearms, and bladed weapons. Administrative skill is another need, preferably gained in work of the museum type. Tact and a professional approach, he adds, are far more important than showmanship, though the master requires a sense of what appeals to the visitor. "For example, I'm not altogether fond of them myself, but torture and punishment instruments are always very popular with the public."

Readers whose aspirations for this prize job are backed up by suitable achievements should inquire, quoting G/9390/2, to the Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB—telephone Basingstoke 68551. Applications to be submitted by October 22.

Four new directors

THE IDEA of managing a local authority as a corporate whole, rather than as a number of self-interested departments pursuing their own ambitions, has been abroad for a good while. It seems a good idea.

But many an authority which has tried to reshape its top tier of officials according to the theory of corporate management has nevertheless ended up with the same old inter-departmental wrangling, except that the different departments' leaders are called directors, instead of chief officers.

A strong wish to avoid the trap of a purely nominal change underlies preparations now being made by the Royal Borough of Kingston-Upon-Thames to engage only four directors each at a salary of about £11,000, in its reorganised management structure. Each of them will report to John Bishop, chief executive of this outer London borough, and with him will make up professional corporate management team in overall charge of a £27m. revenue budget and a workforce, including teachers, of 7,000 people, serving a population of about 140,000.

Two of these jobs will most probably be filled by people already in local authority service. They are respectively the directors of educational services, and of personal services covering social work, housing and environmental health. But since prime importance is being placed on professional management ability, outsiders could have a fair chance even of these jobs provided they had gained experience of the specialist concerns, perhaps by serving as elected members of a local council.

The same applies, only a bit more so, to the directorship of technical services, covering the borough engineering section, the planning department and the architect's branch.

But the post most likely to be filled from outside is apparently the directorship of finance and administration.

Now I believe that in giving notice of this quartet of openings, the Jobs Column is running ahead of the borough's official arrangements for recruiting. But I also believe that Mr. Bishop would be pleased to receive written inquiries from interested readers provided that they can show records of senior-level success in managing organisations and their people and in making the corporate planning approach work. His address is the Guildhall, Kingston Upon Thames, Surrey.

Non-stop planning

THE INNER London borough of Islington also claims to have left behind the days when, to quote Norman Hinton, its director of personnel and management services, "the committee chairman with the loudest voice got the biggest slice of the cake." Nowadays the plans of the four main types of activity—housing, social services, recreation, and public services such as refuse collection—are continually reviewed, budgeted, and ranked in order of priority for corporate decision by the council policy committee.

Central in this process are Islington's plan-programme-budgeting system and the job of programme planning officer, with a salary scale of £9,636-£10,410.

Philip Aldis, who has developed the job since his arrival seven years ago, is now being promoted to director of recreation for the borough and the council is seeking his successor. Whoever becomes the new programme planning officer will have six staff, much contact with the other top officials, and will report to chief executive Hugh Ewing.

Candidates need strong experience of managerial work of the analytical and corporate planning kind, probably in either the financial area or general management. Familiarity with public services would be an advantage, but is not essential. Inquiries to Mr. Hinton at 220-225 Upper Street, London N1 1RW; tel. 01-359 3626 extension 242. The application list will close on October 25.

Marketing head sought

MAX SELMAN was headhunted earlier this year to become managing director of the Nu-Line kitchen-furniture side of the Alan Cooper company, which was growing too quickly to be managed any longer all of a piece with the office-furniture side.

With a turnover now of about £750,000, Mr. Selman wants a head of marketing and sales to lead five salesmen and about three internal staff. Nu-line could double turnover with existing capacity in its Burnley factory, which was re-equipped two years ago by the City-based parent group—Blythe, Greene, Jourdain. But the managing director wants to push sales beyond this towards £3m. within the next two to three years.

The newcomer, who will work at Todmorden seven miles from the factory, will almost certainly have first-hand knowledge of the kitchen - furniture business. "Ideally, too, I want someone who can see to the market planning, then organise a promotional leaflet, then pop out and get big orders from a couple of our major customers," Mr. Selman says.

Failing the ideal, he would prefer candidates' strength to be in selling, coupled with a graduate-standard intellect. Age range quoted is 28-40.

The salary is not specified, but my estimate would be earnings of £6,000 to £8,000, plus car. Directorship is possible. Office within easy distance of pleasant areas of either Lancashire or Yorkshire. Applications to Mr. Selman at Frostholme Mill, Burnley Road, Todmorden, Lancs. Tel. Todmorden 2661 or 4091.

GENERAL APPOINTMENTS

هكذا من الأصل

GENERAL APPOINTMENTS

Managing Director

£15,000+

Hestair is a rapidly-expanding British Public Company which has three main business activities – commercial and specialist vehicles, agricultural engineering and consumer products.

The Group has developed by acquisition and organic growth from a turnover of £2 million in 1970 to over £50 million in the current year and has just announced its eleventh successive half-year profit record.

Despite this achievement, the Board believes that the last five years have been foundation building for a more exciting decade ahead.

We prefer to promote from within but exceptional circumstances will shortly create a vacancy for a Managing Director in one of our engineering companies.

The Company's products are marketed on a world-wide basis and have, in our view, quite exceptional growth prospects.

The successful candidate will work in an invigorating Group climate and enjoy a high degree of autonomy to achieve agreed budgets. Promotion to the top of the Group is dependent upon ability and performance only.

The successful candidate will be:-
- A mechanical engineering graduate.
- Aged 31-38.
- Anxious to make a success in the No. 1 spot in a company employing several hundred people that is a market leader in its field.

Experience will include:-
- At least three years at the head of a production or marketing function in a nationally-significant engineering company.
- Direct knowledge of export selling and marketing.
- Sound knowledge of production and financial control procedures.

Applicants should be tough minded, analytically inclined, impatient for results but mature in understanding human nature. They will want to play their part in reversing this country's economic slide and make this company a name for efficient management and controlled growth.

The rewards, apart from salary and profit bonus, include a suitable car and an excellent pension, life and accident insurance scheme.

In the first instance, please write or telephone:-

David Hargreaves, Chairman,
Hestair Limited, 10 Castle Hill, Windsor, Berks. SL4 1PD. Windsor 54945.

Hestair Limited

INTERNATIONAL BANKING OPPORTUNITIES

1—ASSISTANT TO THE MANAGER, COMMERCIAL LENDING DEPARTMENT

The candidate will be involved in international lending (direct financing) and loan syndication and administration. Candidates should be in their twenties with an overall practical experience gained in banking, especially on the commercial lending side and should be fluent in German (mother tongue would be an advantage) and English. Knowledge of French would be valuable.

2—SECRETARY TO THE MANAGING DIRECTOR

The successful candidate should be acquainted with all kinds of secretarial works. An excellent knowledge of German, French and English, including shorthand, is essential. German mother tongue would be an asset.

For both appointments, Luxembourg based, attractive salaries are offered. Interviews in London can be arranged. Interested parties are requested to submit their resumes indicating salary requirements to:

THE MANAGING DIRECTOR
CREDIT SUISSE (LUXEMBOURG) S.A.
18, AVENUE MARIE-THERESE
LUXEMBOURG

Senior Personnel Managers

CHARTERED ACCOUNTANCY

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One of the largest international firms of chartered accountants aims to make two senior personnel management appointments at its London office in the City.

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PERSONNEL MANAGER to be responsible for the selection and attraction of over 100 high calibre graduates per annum to the London office and for ensuring that they are encouraged by attractive career development opportunities during their first few years with the firm.
We are looking for a graduate, preferably 30-35, with formal training and experience in graduate recruitment. A knowledge of accountancy would be useful but is not essential. Administrative skills, together with the ability to assess and develop personal potential in intelligent people, are important. A strong presentable personality is essential within this energetic and committed young environment. Salary up to £8,000: Ref. 399c.

Please ring or write, giving brief career details to Christopher West and quoting the appropriate reference

COURTENAY PERSONNEL LIMITED
11 Maddox Street, London W1R 9LE. Tel: 01-629 1913.

Stewart Wrightson (Marine) Limited

who specialise in all forms of Marine insurance broking on a World Wide basis invite applications for the position of a Senior Executive to take a leading part in the further expansion of their Off Shore Department. The role demands an in depth knowledge of the Oil Industry in general with particular experience in the production and servicing of Off Shore and Land Rig Insurances.

The appointed person can expect to receive the high level of award which the position merits.

All applications will be treated in the strictest confidence and should be addressed to

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Telephone 01-623 7511.

AMERICAN FLETCHER NATIONAL BANK—INDIANAPOLIS

Wishes to appoint a senior dealer for their Luxembourg branch. Applicants in the age range 20-30 are required to have a minimum of two years trading experience and a knowledge of French and German would be helpful. Salary and benefits will be commensurate with the responsibilities of the position and relocation expenses will be reimbursed by the bank. Interviews will be held in London during mid October.

Please write in confidence with full career details to:
AMERICAN FLETCHER NATIONAL BANK
c/o Michael D. Vanner, Vice President
Allied Bank International
1 Cornhill, London EC3V 3NB

STOCKBROKERS

Medium sized firm of Birmingham stockbrokers wishes to expand its London office, and would like one or more members/partners to join them. All replies will be treated in the strictest confidence.

Please reply to Box A.5711,
Financial Times, 10, Cannon Street, EC4 P4BY.

Marketing Director

We are seeking a suitably qualified and experienced Marketing Director for our Rope and Twine subsidiary. He or she will be responsible for conducting market research, forward planning, the identification and evaluation of new business opportunities and the organising and motivating of an existing sales team.

The right candidate, aged under 45, should preferably be a graduate with trained thinking ability, at least five years marketing experience and be capable of negotiating at purchasing and technical director level. He or she must be self-motivated and have ambition as the career prospects are excellent. Knowledge and experience of export marketing is essential and a knowledge of economics and fluency in another European language would be a distinct advantage. The applicant should be financially and statistically numerate.

Salary will be negotiable, there will be regular foreign travel, also company car and pension scheme.

Please write in confidence to:—

Mr. C. S. Orr,
McCleery L'Amie Group Limited,
Purdys Lane,
Newtownbreda,
BELFAST BT8 4DD.

McCleery L'Amie Group

Editors 'Accountancy'

London City

One of Accountancy's two Technical Editors having joined a well-known City firm, to manage its training department, and the News Editor having joined the Financial Times, the Institute of Chartered Accountants in England and Wales urgently seeks:

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This is an opportunity for a Chartered Accountant to play a part in shaping professional thinking, by his/her researches and the production of authoritative articles and also to meet leading members of the professional and financial communities. A sound theoretical background and enthusiasm for work of this nature are more important than previous journalistic experience. REF. 370/

News Editor — to £5500

This demanding position calls for a candidate with a lively interest in business affairs, preferably one already with some experience in journalism. In addition to his/her researching and writing, the successful applicant will be required to maintain and develop professional and financial news contacts worldwide. REF: 371/

Apply to R. A. Carpenter FCA, FCMA, ACIS, 2–4 King Street, St. James's, London SW1Y 6QL. Tel: 01-930 9982.

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Sales of this substantial British public Company, which has an outstanding growth record, reached £133 million in 1975 and profits were more than £14 million. The Group is truly multi-national with more than 60 manufacturing plants in 25 countries, and close on 80% of sales outside the United Kingdom.

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The selected candidate is likely to be 35-45, already holding a heavyweight production appointment in a major business. Experience (including significant international involvement) could have been gained in a wide range of industries but a chemical background could be relevant.

Location Birmingham, but with considerable overseas travelling. Five-figure salary; Company car; excellent additional benefits.

Please apply, in confidence, to D. G. de Belder, Knight Wegenstein Limited, Commercial Union House, 75 Mosley Street, Manchester M2 3HR, quoting reference number: 60240. Telephone number 061-236 0987.

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Internationally famous company engaged in the management of domestic and International funds for Institutional and private clients would like to hear from top class investment personnel.
Applicants with specialist knowledge, regardless of their current function, are encouraged to apply. Remuneration and benefit should deter no one.

Write, including full curriculum vitae to:
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The Financial Times, 10, Cannon Street, EC4P 4BY

GENERAL APPOINTMENTS

LLOYD'S UNDERWRITING AGENCY

wishes to appoint a

MANAGER

to take responsibility for the administration and future development of the Agency. In recent years the Agency has expanded rapidly and the Directors seek an energetic and able person who will contribute effectively towards the Company's continuing programme of expansion.

The appointment, which is based in the City, is open to both male and female applicants who have had at least five years relevant experience with a Lloyd's Underwriting Agent. Preferred age range 35 to 50. The salary and other benefits will be commensurate with the senior nature of the appointment.

Applications, with full details of relevant experience, should be forwarded in the first instance to Mr. J. T. Jessup, Messrs. Thomas Cooper & Stibbard, 27 Leadenhall Street, London, EC3A 1AB.

Managing Director

c. £12,000

During the last three years, this young filtration equipment company has raised its turnover to more than £1½ million, has trebled its pre-tax profits, has increased its workforce to 130 on a new larger site and has boosted its export sales dramatically. The new Managing Director will be given a large degree of autonomy by the British parent and American licensor to maintain this profitable growth impetus. He/she will be expected to expand sales to existing customers, seek out new markets and applications, improve engineering and manufacturing disciplines and efficiency and increase cost effectiveness. The person appointed will have an engineering background and qualifications, and have been responsible for the manufacture, marketing and sales of fabricated products, preferably related to diesel engines and gas turbines. A successful track record of profit centred responsibility is essential. Total remuneration, which includes a profit related bonus, is negotiable around £12,000. Benefits include company car, non-contributory pension/life assurance scheme and assistance with costs of re-locating to the North of England.

(PA Personnel Services Ref: GM33/5758/F.T). The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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We are an international merchanting corporation seeking an Assistant Treasurer. The successful candidate, who will report to the Treasurer, will be either a banker or qualified accountant. The Treasurer's Department's responsibilities include sterling and foreign exchange management, credit control and cash forecasting.

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The Secretary
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2 Metal Exchange Buildings
London EC3V 1LD

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Reply: C.J.L.

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A prominent international shipping group requires a chief executive for their London port operation. This is a new appointment, at this level, made necessary by substantial expansion of business.

Applicants, preferably between 30 and 45 years of age should have extensive experience of all facets of containerised and general cargo. The Cargo Manager will have the general management responsibility for the London port and must be equally competent and successful in dealing with the marketing/customer relations requirements as well as maintaining good industrial relations policies for upwards of 100 employees.

Some travel will be necessary.

Please write stating age, current salary and how you meet our Client's requirements, quoting Ref: CM/3796/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited *Baylis House, Stoke Poges Lane Slough SL1 3PF*

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Unique opportunity to join a dedicated management team. Secretarial qualification is needed but more important to the Company and the candidate's future potential are legal experience and/or accountancy qualification.

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Candidates should apply in confidence to:

Carl Duerr, Chief Executive
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A.S. Computas are building up their office in London and require a Structural Analyst.

The successful candidate will have at least 3 years experience in application of the Finite Element Method (F.E.M.) in Structural Analysis. An experience from design of machinery components and heavy structures will be an advantage. The work will involve marketing of Computas developed F.E.M. program system Sesam-69 in the field of Nuclear Engineering, Analysis of Machinery and Car Components and analysis of Shipping and Offshore Structures. He/she will also need to have the ability to manage and carry out Structural Analyses.

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A.S. Computas, a subsidiary of Det Norske Veritas (The Norwegian Veritas), develop and apply Computer programs within the field of Engineering and Management.

Please write to:
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DET NORSKE VERITAS
Marlowe House
Sidcup, Kent DA15 7EX
giving full details

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The well established London Office of a leading overseas broking house is seeking a young man aged around 25 to train under a partner and existing staff. The position is a career opportunity which could involve the successful applicant in overseas travel. A sound education background is essential and previous experience in, or knowledge of, the securities industry would be an advantage. A commencing salary in the range of £4,000 per annum is envisaged. *Replies which will be treated in confidence should be addressed to Messrs.* Baker Rooke & Amadoni, Chartered Accountants, Clement House, 99 Aldwych, London, W.C.2.

Finance Executive

International Hotel Group

The experienced Financial Executive applying for this position will be a qualified accountant or have a relevant degree; he or she will join a Management Team currently developing and operating hotels on a world-wide basis.

We are seeking a commercially experienced candidate, enthusiastic, ambitious and competent, whose responsibilities will include the complete financial function together with the continuing development of unit reporting systems and the analysis of operational results.

A knowledge of European languages would be an advantage.

Commencing salary will be at least £9,500 per annum and benefits include a contributory pension and life cover scheme.

There will be some travel by air whilst conducting the Group's business.

Applications will be treated as confidential and replies should be addressed to:
Box Number A5699, Financial Times, 10, Cannon Street, London, EC4P 4BY.

CHIEF OF STAFF RIYADH

Our client, a multinational investment organisation seeks an outstanding individual to fill the role of Legal Counsel—Saudi Arabian operations.

The ideal person is probably aged thirty-plus, and has significant international experience as a corporate lawyer with a Western approach to legal analysis. His maturity and presence will play a major role in shaping the future of this organisation.

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There is an increasing number of really good career opportunities with top name International Banks aimed at young people, M/F, who already have 2-3 years good City experience, particularly in:

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aged under 30 with foreign currency experience required for small merchant bank.

Write with full career details to:
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TOZER STANDARD & CHARTERED,
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Tanganyika Holdings Limited

Tanganyika Holdings Limited, the United Kingdom Service Company for Tanganyika Concessions Limited and Tanks Oil and Gas Limited, and which, through Elbar Industrial Limited, has extensive interests in the United Kingdom, has a vacancy for an

Economist

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In the first instance, he or she would be particularly engaged in the overseas affairs of the Group and the growing industrial interests of Elbar in the United Kingdom. He would have to travel a great deal, locally and overseas and would need to have some capacity for negotiation, at least up to the near final stage. The Company is seeking a highly intelligent young person of twenty-eight to thirty, capable of independent initiative and of top management and directorial potential. Immediate salary contemplated is of the order of £6,000 per annum, plus the usual Company benefits.

Applications in writing, please, marked CONFIDENTIAL and providing full details of qualifications and experience to The Secretary, Tanganyika Holdings Limited, 6 John Street, London, WC1N 2ES.

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Centrale Rabobank

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*Source:
Mass Observation (U.K.) Limited.

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A leading Canadian insurance company wishes to recruit a young person to join a small team of fund managers in its London investment office. Training will cover all aspects of investment, including stock market operations, company financial analysis and overseas investment.

Applicants should be between the ages of 20 and 25 with a degree or professional qualification, and experience of investment work would be an advantage. Salary will depend on age and experience.

Write to:—
The Investment Manager
MANUFACTURERS LIFE INSURANCE COMPANY
Lawrence House, 3/6 Trump St., London EC2V 8JD

JUNIOR BANKING EXECUTIVE

London office of an international merchant bank is looking for a Junior Executive to do credit analysis and company investigations on behalf of overseas clients. Applicants should have between 1 and 3 years post graduate experience. Some knowledge of accountancy would be desirable. Please send C.V. to: *Box A.5702, Financial Times, 10, Cannon Street, EC4P 4BY.*

APPOINTMENTS

OVERSEAS POST

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STOCKBROKER

Member with own private client business seeks commission sharing arrangement with soundly based firm. Principals only please reply to Box A.5713, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPERIENCED Financial Controller, mid 30's, requires temp. assignment UK or abroad. 1-6 months. Tel: Farnham 5396.

FINANCIAL ANALYST Graduate and ACA aged 31, with sound experience in large commercial concern, including an overseas secondment seeks new position with U.K./U.S.-based multinational in Financial Management. Write Box A.5710, Financial Times, 10, Cannon Street, EC4P 4BY.

ACCOUNTANCY APPOINTMENTS

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Sous la direction du Contrôleur des finances divisionnaires, les responsabilités de la personne nommée comporteront conseils et connaissances spécialisées: au sujet d'évaluations des placements; planning financier; questions de mouvements internationaux des fonds, et services EDP, on attendra également que le candidat choisi maintienne des relations étroites avec la direction de la Société d'exploitation française (Qui a un capital de 230m.)

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TREASURY ASSISTANT

£4,500 **London E.C.**

A major international shipping line requires to fill an important position in its Treasury Department and offers an attractive opportunity to a suitably experienced person to advance his or her career. The responsibilities of the post, primarily, involve assisting the Group Treasurer in the arrangement of external funding, the financial administration of loans, leases and capital projects and Group cash flow forecasting. It is essential that candidates, aged up to 35, should have appropriate experience in a banking, treasury or corporate finance environment. Pension scheme, life assurance, etc.

Applications in strict confidence to:—
E. A. C. Griffin, (ref. 5745)
Mervyn Hughes Group,
Management Recruitment Consultants,
St. Mary Axe, London EC3A 8AR. Tel: 01-283 0037

Finance and Accounting Opportunities

Expanding Overseas Operations

Bookers Agricultural and Technical Services Ltd. manage sugar estates and provide management and technical services for various large scale agricultural projects around the world. Additionally, a thriving international consultancy business has been established and is currently expanding in response to demand. *There are immediate vacancies at home and overseas.*

UK Based

There are opportunities to join the Head Office accounting team at starting salaries within the ranges quoted. A willingness to undertake short term assignments overseas is essential.

FINANCIAL ANALYSTS
£5350 - £7550
to join consultancy project teams and undertake investment appraisal for expansion studies and the development of large scale agricultural enterprises overseas. Candidates must have a recognised accountancy qualification and a minimum of two years' relevant overseas experience. Ref. 117.

MANAGEMENT ACCOUNTANTS
£5350 - £7550
to provide full accounting services for project directors. Candidates must be qualified accountants with at least two years' post qualification experience, preferably in an international, industrial or commercial environment. Ref. 118.

COMPANY CASHIER
£3450 - £6250 depending on experience
Fully experienced to take charge of internal services for our new office. Previous experience in a commercial and/or banking context is essential. Ref. 119.

Overseas Secondments

Staff are required for the Company's projects in the territories indicated. The remuneration ranges are net of personal income tax.

FINANCIAL ACCOUNTANTS
£6000 - £10,000 **net of tax**
to supervise and train a local accounting team in the preparation of monthly and annual accounts. A willingness to transfer to another overseas assignment on completion of an eighteen month tour is highly desirable. Immediate vacancies exist in Kenya and Iran. Ref. 120.

PROJECT ACCOUNTANT
£5000 - £6850 **net of tax**
to provide accounting services to a major expansion of the Mumias Sugar Company, Kenya. Previous overseas experience is desirable. Ref. 121.

We are also looking for an
AGRICULTURAL ECONOMIST
£8000 - £11,000 **net of tax**
to join a team of agronomists and irrigation engineers in a major land use development study in Northern Nigeria. Previous experience of agricultural marketing in the context of developing Africa is essential. Ref. 122.

BOOKER McCONNELL

Terms of service are attractive for these permanent and pensionable appointments and in the case of overseas positions include free housing; education allowances; family passages, regular home leave, etc.

Please send brief details of qualifications and experience to: E. B. Williams, Bookers Agricultural and Technical Services Ltd., Bucklersbury House, 83 Cannon Street, London EC4N 8EJ.

Management Accountant/ Analyst

Newly Qualified

London EC2 **circa £5250 + mortgage benefit**

The U.K. division of a major world bank, our client is predominantly involved in foreign exchange and corporate lending activities. Rapid growth in turnover, assets and profits has been experienced and is forecast to continue.

As one of a department of three, the accountant/analyst will be involved in the production and analysis of the management reporting package, and it is envisaged that the accountant/analyst will take over full responsibility for this within six months. Procedures are highly sophisticated and the accountant/analyst will be involved in further systems development.

Applicants (male or female) should be newly qualified accountants and should telephone or write to David Hogg, A.C.A., quoting reference 1/1923.

E.M.A. Management Personnel Ltd.
Burne House, 88/89 High Holborn
London WC1V 6LR
01-242 7773/4

Financial Director (DESIGNATE)

London **c. £15,000**

This is a new appointment at the group head office of Royal Worcester Limited, with executive responsibilities to the chairman for the central financial and accounting functions.

Responsibilities include:
- maintaining and developing effective financial control through management and formal accounting systems and procedures,
- preparation of annual and long term plans and budgets and monitoring performance variances,
- effective utilisation of the group's financial resources and provision of additional financial facilities as may be required,
- taxation in conjunction with the company's external advisers.

Applicants, male or female, should be chartered accountants, preferably aged 40-45, with a successful record in the responsibilities referred to. They must be of the quality to justify their early appointment to the board of the company.

Write in confidence, quoting reference 2135/L to: E. M. Nell,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London, EC2V 8AX.

Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR
Management Recruitment Consultants
01-283 0037 (24 hours)

Treasury Management

International Company **£5,000 plus**

Due to a promotion, an opportunity has arisen for a young Executive to join the London Treasury Department of a major International Company.

The work will initially be concerned with international cash and foreign exchange, control and management. There will also be opportunities to participate in special studies and projects offering considerable scope for initiative and original thought.

The Executive appointed will be expected to be able to work without close supervision; make an early contribution to financial policy; and be ready to accept a significant increase in responsibility in a comparatively short term. Success in this appointment could lead to interesting career prospects.

The appointment calls for a working knowledge of the money markets and a general understanding of corporate finance. Ideally, candidates should be graduates in the age range 24-28 who have experience in Banking or the Treasury Department of a large company. The vacancy could well be of interest to a M.B.A.

Applications in strict confidence under ref. 5744 to D. G. Muggeridge.

NATIONAL WATER COUNCIL

Chief Accountant c. £9000

Responsible to the Director of Finance, you will head the department which deals with the National Water Council's domestic accounts and finance functions, insurances, and certain work connected with foreign loans raised by the Council on behalf of water authorities. You will control a staff of 10.

We need a man or woman who is a qualified accountant of some standing and who is also an experienced and resourceful manager, able to communicate effectively with the heads of our operating divisions.

The location is Central London. Conditions of service are excellent.

Please write with career details to Mr. R.H. Pamplin, Assistant Secretary (Establishments), National Water Council, 1 Queen Anne's Gate, London SW1H 9BT, to reach him not later than 25th October 1976.

ACCOUNTANT — CITY

Circa £5,500

Due to internal promotion our client wishes to recruit a qualified accountant, preferably ACA with 1-2 years post qualifying experience. The job will be varied and stimulating enabling the successful applicant to gain experience in a wide range of commercial accounting. Applicants should be self assured, in their mid 20s and a knowledge of French would be useful.

Please telephone 01-283 3881, quoting ref. C.F.H.

DUKES CAREERS

C&L

S. Yorkshire **c £9,000 + car**

FINANCIAL CONTROLLER

The Company: A profitable and capably managed advance technology steels and engineering company committed to expanding its already significant investment in modern plant.

The Job: Initially to control the overall financial and management accounting functions with a staff of some 150. Ultimately to succeed the present Financial Director.

The Candidate: Aged 35-42 with substantial controllership experience in a complex long production cycle industry. As essential is a sufficiently long enough period in control of a large department to have become aware of the importance of good employee relations.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:-

The Executive Selection Division – MF984,
Coopers & Lybrand Associates Ltd.,
Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR
Management Recruitment Consultants
01-283 0037 (24 hours)

International Corporate Audit

c. £15,000 **Based Europe**

A major international audit group requires two top level managers to control audit teams. The Managers (male or female) will report to the Head Office in Zurich but could be based in any major European city. To be eligible candidates must be qualified accountants (ACA, CA or CPA), ideally aged 35-45, with in-depth audit experience in a major international firm of chartered accountants or large industrial company, including computerised audits. A degree in engineering would be highly advantageous. A fluent knowledge of English and German is essential. Salary is negotiable plus expenses and benefits.

Applications in confidence to **D. G. Muggeridge, Ref. 5743A.**

LEGAL NOTICES

No. 00323C of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FINTRO LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of September 1976, presented to the said Court by COVELL MATTHEWS PARTNERSHIP (an unlimited Company) of Europe House, St. Katherine by The Tower, London E1 9AA, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of November 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

EDWIN COE & GALDER WOODS,
2 Stone Buildings,
Lincoln's Inn,
London WC2A 3XE.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 29th day of October 1976.

COMPANY NOTICES

CORRECTED NOTICES
THE ANGLO AMERICAN COAL CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 106

FURTHER TO THE DIVIDEND NOTICE advertised in the Press on the 6th August, 1976 the conversion rate applicable to payments in United Kingdom currency in respect of the abovementioned dividend is £1=R1.457588 equivalent to 10.29096p per share.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
London Secretaries.
G. A. WILKINSON.

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent.
TN24 8EQ.
4th October, 1976.

CORRECTED NOTICES
AMENDED ADVERTISEMENT

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S.$10,000,000 GUARANTEED FLOATING RATE NOTES 1981

The interest rate applicable to the above notes in respect of the six months' period commencing 15.9.76 has been fixed at 7½ per cent per annum. The interest, amounting to U.S.$37.71 per bond of U.S.$1,000 nominal, and to U.S.$377.08 per bond of U.S.$10,000 nominal, will be paid on 15.3.77 against presentation of coupon No. 1.

BANK LEUMI TRUST COMPANY OF NEW YORK.
Principal Paying Agent.

This advertisement supercedes that which appeared in this column on 2nd October, 1976.

REED PUBLISHING HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the
4% Cumulative Preference Shares
8% Cumulative Preference Shares
will be closed on the 1st November 1976 for that day only, for the purpose of preparing the half-yearly dividend warrants payable on the 1st December 1976.

By Order of the Board,
M. J. N. BRIDGE
Secretary.

Orbit House,
9 New Fetter Lane,
LONDON, EC4A 1AR.

ENERGY INTERNATIONAL N.V.
(Incorporated in the Netherlands Antilles N.V.)

Shareholders are convened to attend an Extraordinary General Meeting of Shareholders to be held on 28th October, 1976 at 10 a.m. at the Fund's Head Office at 24 Handelskade, Willemstad, Curacao in order to consider certain proposed amendments of the Articles of Association, copies of which amendments are available at the Fund's Head Office.

By order of the Board of Management.
Curacao,
6th October, 1976.

PUBLIC NOTICES

WEST YORKSHIRE METROPOLITAN COUNTY COUNCIL

£8m. 91 day bills issued 6th October 1976 due 5th January 1977 at 12[illegible]. Applications totalled £50.6m. No other bills outstanding.

CONTRACTS AND TENDERS

SAUDI ARABIA

Government tenders published daily in ARAB NEWS Saudi Arabia's first English-language newspaper.

Subscriptions and advertising:
6/7 GOUGH SQUARE,
FLEET STREET, LONDON EC4
Tel: 01-353 4413.

SELINCOURT LIMITED

with Head Office in London requires a

FINANCIAL CONTROLLER

£10,000+

for its group of garment and textile manufacturing and merchanting companies in the United Kingdom and abroad.

MUST BE QUALIFIED ACCOUNTANT

APPLICATIONS ARE INVITED FROM AGE GROUP 30-50

This is a demanding position requiring experience and authority carrying a salary which will not be less than £10,000 p.a. There will be other benefits and, in due course, Board potentiality.

Please write giving full particulars to The Secretary, Selincourt Limited, 74-80 Camden Street, London, NW1 0EL, and mark envelope "EHCH PRIVATE."

All applications will be treated in strictest confidence.

RE-ADVERTISEMENT

AREA TREASURER

£9,684—£11,787
+ £312 London Weighting

Applications are invited from qualified accountants with senior management and, preferably, Health Service experience for this post which has become vacant following the promotion of the present holder.

The Area Treasurer is a member of the Area Team of Officers and acts as the financial adviser to the Authority. The primary responsibilities of this post include providing advice on the financial implications of policy decisions, assisting the Area Team of Officers in allocating resources, monitoring total expenditure, and advising on the financial implications of capital programme expenditure.

This large complex teaching Area has a revenue budget of approximately £100 million. There are three teaching districts: Guy's, King's and St. Thomas' with Lewisham (non-teaching).

The Area Offices are close to Waterloo Station.

Application forms and job descriptions are available from the Area Personnel Officer, Lambeth, Southwark and Lewisham Area Health Authority (Teaching), The Royal Eye Hospital, St. George's Circus, London SE1 0BA. Telephone 01-928 1801. The closing date for applications is 25th October, 1976.

Lambeth, Southwark & Lewisham Area Health Authority (T)
St. George's Circus, London, SE1 0BA

FINANCIAL CONTROLLER RIYADH

We are seeking a Financial Controller, based in Riyadh, for a large multinational organisation principally involved in marketing and project development.

The successful candidate will participate in the overall management of the group's activities in the Middle East. The ideal person for this position will have managerial and leadership skills and a thorough background in treasury, accounting and EDP. Innovative and creative thinking will be required, and should be accompanied by well developed human relations skills, enabling him to work effectively at all levels.

A most attractive compensation package, including substantial base salary and fringe benefits are offered to the right individual, together with real opportunity for future advancement.

Please reply with full career details in strict confidence to Box A.5115, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company, require between £50,000 and £1,000,000 for any purpose, ring David Wills, Charterhouse Development.

Investing in medium size companies as minority shareholders has been our exclusive business for over forty years. We are prepared to consider new investments in both quoted and unquoted companies currently making over £50,000 per annum pre tax profits.

CHARTERHOUSE

Charterhouse Development, 1 Paternoster Row, St Pauls, London EC4M 7DH. Telephone 01-248 5999.

Major international company with European headquarters requires an established

CIVIL ENGINEERING COMPANY

with a turnover of approximately £5 million.

Write in confidence to:—
COUNTY BANK LIMITED,
55 King Street, Manchester, M60 2DB.

WHISKY FOR EXPORT

We have large quantities of cased Scotch for sale. Each case contains 12 x 75 cl. square white flint bottles.

STANDARD—4 years old 43 degrees g.l.

Orders of:—	250-1,000 cases	3.70 pounds sterling per case
	1,001-5,000	3.60 pounds sterling per case
	5,001 and over	3.50 pounds sterling per case

DELUXE—5 years old 43 degrees g.l.

Orders of:—	250-1,000	4.10 pounds sterling per case
	1,001-5,000	4.00 pounds sterling per case
	5,001 and over	3.90 pounds sterling per case

Please apply with name of bankers to
M. Taylor, Max Glen Ltd., 44 Market Jew Street, Penzance, Cornwall
Penzance (0736) 61343. Telex 45608

DIRECTORSHIPS SOUGHT

Chief Executive with extensive experience in Food, Agriculture and Engineering, is interested in Non-Executive Directorships. Can help small or medium-sized companies to find practical solutions to Financial, Management and other business problems. Finance available for equity participation.

Write Box E.8746, Financial Times, 10, Cannon Street, EC4P 4BY.

CASH FLOW PROBLEMS

RELEASE YOUR OWN CASH BY DISCOUNTING YOUR INVOICES
95% paid by return on approved accounts
Phone: 0204 693321 Telex 63415
MRS. BENNETT
Silverburn Finance (U.K.) Ltd.

JORDANS SPEEDY COMPANY NOW COSTS ONLY £85

.....and that includes company books and seal. It can be formed in about 3 weeks, with the name of your choice.
Tel: 01-253 3030
Telex 261010
Jordan & Sons Ltd
Jordan House
47, Brunswick Place
London N1 6EE
Jordans

CONFIRMING HOUSE

Old established Confirming House seeking to increase its turnover is in the market to purchase company in similar business or portfolio of existing clients.

Write Box E.8773, Financial Times, 10, Cannon Street, EC4P 4BY.

Manufacturers Representative

Foreign based Export Company seeks agent in the U.K. for marketing of wide range of engineering and industrial commodities such as:
COUPLINGS AND PUMPS;
OIL SEALS; DRILL BITS;
PLASTIC REINFORCED HOSES

Please write or phone for appointment to interview: R. PEIRES, 13 Linden Lea, London N2. 01-455 5460

FOR SALE

Well known Consultancy Company with benefit of Tax Losses. Write Box E.8786, Financial Times, 10, Cannon Street, EC4P 4BY

GROWTH OPPORTUNITY

Advertising agency offers in-depth marketing expertise and creative ability plus close personal attention to advertisers seeking growth.
For informal discussion contact:
Douglas Armstrong.
TALBOT ADVERTISING
44/45 Fleet Street, EC4
Telephone: 01-353 5438/9

ISLE OF MAN OFFSHORE TAX SAFEGUARD

Grasp the opportunities in a low tax area. We specialise in the formation of companies, including nominee appointments. Secretarial services, general agency work, telex and general consultancy including commercial loan placements.
Full details from J. C. Brown A.I.B.
BROWN BROTHERS, 11 Athol Street, Douglas, Isle of Man. Telephone 0624 23417

PRIVATE COMPANY

with own mechanical handling products specialised to sheet metal automobile industry and established world connection in this trade seeks to become licencee and/or sell complimentary products. Currently have own manufacturing in U.S.A. and U.K. also maintaining licencees in Japan and Australia plus lots of exports to Comecon.

Write Box E.8784, Financial Times, 10 Cannon Street, EC4P 4BY.

HAVE YOU PROBLEMS with your Far East Operations. I am a resident engineer, based in Hong Kong, with extensive sales-management and marketing skills. My experience is engineering orientated with a bias towards mechanical handling and printing. Currently I am part of a multi-national group and employed as a local Director and Manager. I shall be in the U.K. early December and would welcome further discussions.
Please write Box E.8793, Financial Times, 10, Cannon Street, EC4P 4BY.

IBM ELECTRIC TYPEWRITERS factory reconditioned and warranted by IBM Buy—save up to 30 pc. Lease—3 years from £2.20 weekly. Rent—from $24 per month. Phone Vertex 01-641 2365.

INTERNATIONAL GROUP

Wishes to Purchase
L.A.T.A. Travel Agency
Write Box E.8791, Financial Times, 10, Cannon Street, EC4P 4BY.

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Extend your conveyor system, add to your warehouse, and re-equip your offices at a tremendous saving—
HYTRAC OVERHEAD WAREHOUSE CONVEYOR SYSTEM
comprising Power Rail: 2,500 feet, complete with Switch Panel, remote stop buttons and full control system, plus up to 13,000 feet of Free Running Rail, 400 Fibre Buckets, 400 Carrier Rails and other accessories. System installed new in 1974 in Custom Built Warehouse, and is in full working order.
INSTALLED NEW PRICE NOW: £130,000. OUR PRICE £35,000.
1,500 ACROW METAL SHELVES
Herman Miller ACTION OFFICE. Adjustable height cabinets, desk tops and filing drawers, all hung from movable partitions to utilise existing space to the best advantage.
Sundry Addressograph Equipment. Accounting Machinery.
(All equipment secondhand)
Contact:
MR. FISCHER or MR. STEIN on 061-832-4959

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We handle advertising, print, display, direct mail, packaging, etc., in fact virtually everything.
We work for large and small companies to whom we give an efficient personal service and advertising/marketing know-how.
Get good business sense in your publicity. It is now more vital than ever. You don't need a big agency to get the best talents.
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Tel: 01-437 4871 01-437 6005

GENERATOR for sale. 250 KVA diesel driven complete with control cabinet. Excellent condition. Contact Thomas Black Ltd. Hadgon Works, Staveley, Derbyshire or phone Staveley (024687) 5181.

AUSTRIAN LIMITED COMPANY

With Full Order Books

Offers:—

Participation

in most modern industrial metal manufacturing company in Austria; mainly export orientated.
Capital required: from DM 1 million upwards.

Please send confidential enquiries to our lawyer:
DR. FRANK HEROLD
(Lawyer)
Fichtegasse 2a, A1010 Vienna.
Tel: Austria 0222 52 18 72.

LOOKING FOR A NEW PRODUCT?

There are many companies, large and small, with good products they are unable to market/manufacture effectively. Products that would complement your own range and rid you of that spare manufacturing/sales capacity. But how can you make contact with them? You don't . . . they contact you. These companies read this column regularly and by placing an advertisement in the Business and Investment Opportunities column you can be sure of reaching our influential and responsive business audience who have the means to fulfil your requirements.

If you are looking for a new product and would like further information please contact: Francis Phillips, Financial Times, 10, Cannon Street, London, EC4P 4BY. 01-248 8000. Ext. 456.

COMPANY LOSSES

We are interested in a joint venture with a successful company currently showing losses in excess of £100,000 due to stock relief.

Write: Joint Securities Limited,
25, Manchester Square, London, W1M 6HD.

NORWAY

Group of popular Oslo stores selling reproduction Victorian/Edwardian-style decorative objects, devices, furnishings, etc., seeks to extend import and distribution of such lines. Owner visiting U.K. 29/10-5/11.

Please send offers to: Mr. Roger Snarli, Oldemors Pryd. Thv. Meyersg. 78, Oslo 5, Norway. All offers from principals will be acknowledged.

MERCHANT BANK

would consider investment in progressive manufacturing product company. Brief details required which will be treated in strict confidence. Write Box E.8782, Financial Times, 10, Cannon Street, EC4P 4BY.

LICENSED HOTEL

FREEHOLD—BERKSHIRE

With development planning, seeks private investment capital up to £75,000.

Write Box E.8778, Financial Times, 10, Cannon Street, EC4P 4BY.

AUSTRALIA

Companies wishing to extend their representation or activities to Australia are invited to telephone 01-722 5638 to arrange an appointment with a senior consultant returning to Melbourn shortly.

SCIENCE GRADUATE—MARKETING DIRECTOR—CHIEF EXECUTIVE

FINANCIAL PROBLEMS ?

raising: Investment/Cost Analysis: Cash/Credit Management: Fund-Taxation: Export Credit/Finance: Acquisitions: Foreign Exchange, etc. With our wide experience we can solve them. Free initial consultation then Payment by Results.

Write in confidence Box E.8783, Financial Times, 10 Cannon Street, EC4P 4BY.

ENGLISH BUSINESSMAN

resident in the U.S.A. with data processing/marketing organisation, seeks new software/hardware lines for representation in North America.

Replies by Oct. 26th to Box E.8790, Financial Times, 10 Cannon Street EC4P 4BY.

AN INTERNATIONALLY-KNOWN COMPANY

in the Laundry Machinery field requires an executive agent in the U.K. Both national sales and servicing facilities are essential.

Write giving full details of company and products presently marketed to Box E.8788, Financial Times, 10, Cannon Street, EC4P 4BY.

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My clients are interested to buy large quantities of consumer items at attractive prices which can be sold directly to the consumer such as tools, hardware, automotive parts, accessories, housewares, electronics, etc. Please write to:
Dipl.-Kfm. Frank Herrmann
Traisastr. 17 D-5000 Köln 1, West-Germany.

NEW MARKETS report—expert newsletter for exporters: inside information on new business leads, contact names, future trends in Middle East, Africa, Latin America, Asia. Sample from New Markets Report, 7 Bell Yard, Temple Bar, WC2A 2JR.

SUCCESSFUL young businessman has capital and time to invest in interesting opportunities. Midlands area. Write Box E.8792 Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKERS

A limited number of Members with a sound investment business would be welcomed by a medium-sized firm which prides itself on its financial soundness, efficiency and the quality of its facilities. We are a working partnership whose policy of organic growth has developed a broadly based business covering both institutional and private clients.

Individuals, or a small firm interested in discussions, are invited to write to the Senior Partner at Box E.8780, Financial Times, 10, Cannon Street, EC4B 4BY, or, if complete anonymity is desired in the first instance, to our solicitors, Messrs. Markbys, of Moor House, London Wall, E.C.2 (ref. R.D.D.), who will respect any instructions.

MANUFACTURERS WISHING TO EXPORT TO NEW ZEALAND

Manager of established New Zealand Manufacturers' Representative, Importing and Distributing Company will be visiting London 18th-21st October and 6th-13th November, 1976.
Looking for associations with reliable companies offering quality products with strong growth potential, automotive, consumer, building, plumbing, tools, electrical and refrigeration sectors.
Can offer national distribution system with aggressive sales force experienced in promoting new products to the New Zealand market.
Company is a member of widely based major group and represents a number of well known companies in New Zealand.
Please write in strict confidence to W. D. Leigh, W. H. Huthnance & Co., c/o G. F. B. Leigh, 27 Hever Road, Edenbridge, Kent TN8 5DH—contact will be made on arrival.

WE ARE AN ITALIAN CO-OPERATIVE FOR SPECIALISED AGRICULTURAL PRODUCTS

We have more than 1,000 associates who have many spare hours per year available.
We have our own agents all over Italy keeping their own stock.
To complete our product line we are looking for industrial activities in collaboration with firms who would like to sponsor production or distribution of agricultural or industrial products.
Please reply to:
Mr. Claudio Ciastellardi, Villa Ottoboni, 33170 Pordenone, Italy.

THE BIG PROFITS IN THE COMMODITY MARKETS ARE STILL TO COME—HERE'S HOW TO SHARE IN THEM

Dunn & Hargitt are the commodity specialists with the outstanding record of success. The Dunn & Hargitt Pooled Commodity Account is your opportunity to share in the big profits to be made in the American commodity markets — minimum investment 20,000 US dollars.

For details: Dunn & Hargitt Research S.A. Dept. 10A, 18, rue Jacques Jordaens, Bte 6, 1050 Brussels — Belgium. Tel: (02) 640.32.80.
(Not available in any country where restricted)

WANTED EXPORT FINANCE

We are a small marketing company exporting quality British Giftware by direct selling to stores in the U.S.A. and Canada. Britain's future is not under the North Sea it depends on her exporters—but that means nothing to a Branch Manager without ample security to cover our increasing requirements.
We are established, growing fast and seek £15,000 expansion capital and facilities against orders. We want to meet an individual or company with financial resources and a willingness to listen.
Write in strict confidence for further details to Box E.8779, Financial Times, 10, Cannon Street, EC4P 4BY

LEISURE COMPANY require £100,000

mortgage for each of a series of new unit developments.
Possible participation.

Write Box E.8772, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

Public company wishes to acquire house building companies in England, North of the Thames, building and selling approximately 250 to 300 units per annum.

Details please in the strictest confidence to:
Box E.8636, Financial Times,
10, Cannon Street, EC4P 4BY.

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FORMED BY EXPERTS
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READY MADE £80
COMPANY SEARCHES
EXPRESS CO. REGISTRATIONS LTD.
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01-628 5434/5/736/9936

INVESTMENT AND PROPERTY COMPANY

wishes to expand on its past successful activities—would consider merger or participation with similar based organisation.

Write Box E.8785, Financial Times, 10, Cannon Street EC4P 4BY.

CHAIRMAN

of profitable machinery and engineering company seeks additional challenge. Funds for equity participation available.

Write Box E.8789, Financial Times, 10 Cannon Street, EC4P 4BY.

ARABIAN BASED SYNDICATE

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The Marketing Scene

Marketing developments tend to concentrate on the fast moving packaged goods area. ANTONY THORNCROFT, Marketing Editor, describes two areas of change.

An ABC of pricing

LESS than a fifth of the regular buyers of brands know their price. Housewives are resigned to price increases and, in fact, exaggerate them, believing that prices more than double every year. Since decimalisation there have been no price resistance points of the 19s 11d variety because consumers philosophically accept big price rises.

These are some of the findings from a hundred studies into price carried out by Pricing Research, just about the only specialist company in what must be the most written about and least known area of marketing. Pricing Research is a subsidiary of Kraushar Andrews Eassie, in co-operation with the University of Nottingham.

It is quite astonishing the amount of effort that goes into researching new products up to the point of fixing the price and then the lack of sophistication that surrounds this vital factor, which largely determines whether the whole development will be profitable or not. This may be partly because these days the retailers determine the price of existing brands but in most cases for new brands the manufacturer can still exercise control.

Pricing Research reckons that its accumulated expertise can take the gamble out of pricing new products. It passes on some of its findings in a new monthly report, called Development News, which KAE is circulating to senior executives in consumer goods companies (at a price of £55 a year).

Among the relevant points are that although housewives are confused, ignorant, and battered into expecting constantly higher prices, they are more interested in the subject than ever before. They take their time over purchasing expensive durables and they are more interested in special price offers so that (in the consumer durable field again) many products have had to be on more or less permanent special offer. They are also switching to smaller sizes—KAE expects this to be especially true of instant coffee, come the new price rises.

Apart from general findings Pricing Research has come up with quite precise advice. Children, for example, are much more price conscious than adults, and an ½p increase on some confectionery lines aimed at children has caused big slumps in sales.

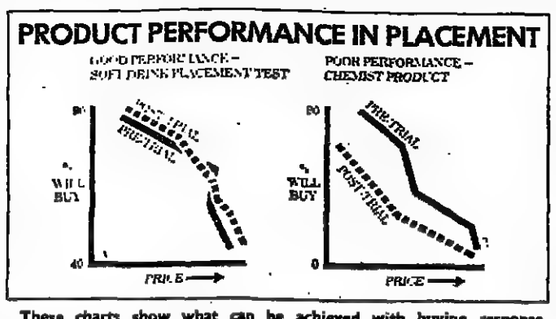
Pricing Research also believes that companies should concentrate on developing products with lower prices than existing brands rather than trying to establish premium products with high profit margins. However premium products with an obvious advantage, like the Birds Eye China Dragon range, can prosper.

Consumers also have different levels of price sensitivity depending upon whether the product is seen as a necessity: toilet tissues are less price sensitive than facial tissues. They also view "own label" brands quite separately, so that one retailer can get away with a higher price for its "own label" than a competitor. Incidentally retailers are often as ignorant about price as manufacturers. Only in the last two years have they appreciated the benefits of a common pricing policy for their shops, and they rarely keep tabs on what the competition is charging.

Other guidelines from Pricing Research are that the same brand can have very different buyers for various sizes of pack—a regular customer for a small size may react differently to price increases than the natural consumer of large packs.

It is also possible to juggle brands from the same manufacturer selling in the same market. One client overcame the problem posed by a sudden cost increase by keeping the price of its major brand stable and loading the rise on to its secondary line which was better able to absorb it.

By concentrating on pricing research a mass of information has been gathered in which enables the company to produce fairly good predictions for specific brands. A lot of the work is pretty basic, like asking consumers how much they would be prepared to pay for a certain product (and discovering that the cut off point can be quite odd sums like 28p or 33p), but behind it all is a gut-feeling, like in a recent case where Pricing Research knew that just by cutting its price by 3p a premium brand was still over-priced against the competition. However, the charts show that consumers' willingness to pay depends upon whether the product lives up to its promise.



These charts show what can be achieved with buying response curves. In the case of the soft drink the product lived up to its advertising and purchases at the fixed price were above target. In the case of the chemist brand housewives were disappointed. This shows that whatever the pricing research suggests the quality of the goods is the vital ingredient.

Finance data

AGB is planning to tackle with a continuous survey one of the most difficult research areas—finance. Next year it is launching a test operation, using a 600 strong sample, to see whether it is possible to get people to record all their purchases above £3, and to discover their saving habits, use of credit, insurance practices, and bank transactions.

If the test proves successful, a continuous Financial Survey is planned for 1978, covering 10,000 heads of households. Information will be published monthly, quarterly and annually.

AGB already has a Building Society and a credit card operation buying into the 1977 test, and expects the full sample would appeal to banks, insurance companies—in fact the whole range of financial institutions. All in all AGB looks for 50 subscribers who would probably have to pay at least £10,000 a year for the information. The banks are likely to take part—last year they tried to agree on a joint research project but finally abandoned the scheme.

Enter the extras

THE death of the salesman has been one of the longest running sagas in recent marketing history. Now this week we have the birth of an organisation which fosters the salesman's successor, best known perhaps as the retail auxiliary.

Eleven companies which dominate the confusing world of merchandising, contract selling, in store-promotions, personality girls, and demonstrators, have got together in an association pledged to raise standards in what is already a £15m. plus business.

The range of services on offer starts with Sales Force Ltd., which has a team of a hundred full-time representatives working for clients, at a cost of around £150 per man, per week, as salesmen, and usually employed in introducing new products in peripheral areas, like the independent retailers, or giving extra weight to a special trade promotion. When not working for other companies Sales Force keeps the team intact selling goods it has bought on its own account.

Sales Force, which is currently involved in selling a new confectionery product into CTN's, and promoting a slimming food in chemists, is unusual in employing men on a full-time basis, which is why it charges more than the competition. In fact, despite the Equal Opportunities Act, men are rather thin on the ground among the auxiliary forces.

Merchandising Manpower, the Young and Rubicam subsidiary, supplies them, when asked, to STAGS and Granada, the television companies, who offer a subsidised selling service to advertisers, and ATV and Trident have their own teams of salesmen, who also support the advertising drive, mainly on new brands and big promotions. But in the main this is a woman's world.

Roughly the same size as Sales Force is Counter Products Marketing, which does straightforward selling, but also handles personality promotions, in-store demonstrations, and merchandising. It uses girls, and has 3,500 on the books—on a part-time basis: there are 250 in the field at the moment.

Although girls were originally used mainly on promotions they are now handling the selling—Counter Products looks after sales to the independent chemists for Grecian 2000, the hair treatment which spends £250,000 on British television but only employs two salesmen: auxiliaries do the rest. One advantage of a part-time female sales team is that it is cheaper—around £100 a week for a girl from Counter Products.

Although the companies involved in the Auxiliary Field Promotion Organisers, AFPO, account for around two-thirds of the business, there are sizeable outfits outside it, notably Merchandising and Sales Services, a Quaker Oats subsidiary which provides a straightforward merchandising service in-store.

MASS works for 18 companies, like Eden Vale, Guinness, Wander, Beechams and Alcan, supplying 700 part-time women merchandisers who bring stock from the store room, mark on the price, and make sure it is always on display. They can also handle straightforward reordering and build up promotional gondolas.

MASS charges by the hour—at a rate of 1.75p — and on average a customer pays for forty minutes of a merchandiser's time in each store a week. In some large stores there can be half a dozen women handling up to 15 lines. There are other companies doing this basic merchandising task, which is almost essential now that salesmen rarely call on the larger supermarkets. Addisons works in Tesco and Fine Fare stores, among others, and Counter Products offers a slightly different operation, assigning women specifically to work at agreed times for particular manufacturers.

In the grocery trade the new auxiliaries are mainly employed in selling or merchandising — retailers have little enthusiasm these days for personality girls or space consuming in-store promotions. Their below-the-line activity is mainly concerned in squeezing as large a discount as possible from suppliers, or taking part in tailor-made national promotions with specific brands. In cash and carries there is more room for razzmatazz, for tastings and in-depot demonstrations, but in the main the auxiliaries are replacing salesmen.

It is not hard to see why all the major packaged goods companies have run down their sales teams. According to Rudi Goldsmith of Sales Force it cost at least £8,278 to keep a salesman on the road in 1975, almost 25 per cent. more than in 1974. This year the cost will have risen again. To set against this expense there has been a contraction of shops for salesmen to visit. In recent months big retail groups like International, Allied, and Barker and Dobson have closed down hundreds of small outlets.

With six multiple organisations accounting for a third of grocery sales, the future obviously lies in central office negotiations between the key account salesmen of the manufacturers and the retail buyers. The small shopkeeper must either join one of the voluntary groups, or use a cash and carry for his stock.

But this still leaves an enormous amount of turnover inadequately covered. The multiples may accept secondary brands from big suppliers and then ignore them in the shops—merchandisers can nourish the lines. In cash and carries a retailer's imagination may be caught by an interesting demonstration, and there is always the chance of extending distribution into other kinds of retail outlet, like CTN's and chemists.

There is also the feeling that many companies have run down their own sales teams too far so that they cannot get adequate distribution for new products or provide sufficient back up on promotions. This is why the contract selling teams are boosting their turnover by up to 25 per cent. a year, beneficiaries from the general desire to drop permanent staff in favour of buying out services when needed. In the same way the related area of food broking which handles every aspect of selling and distribution for companies who want to concentrate on production, is also booming.

The Auxiliary Field Promotion Organisers is a timely body. Companies are aware of a gap in their selling artillery. They know that these days brand advertising is fulfilling a minor part in securing sales—everything depends upon exposure on the shelves. Subsidising the retailer, and paying for its advertising can ensure that products are stocked, but only on the spot merchandisers and visiting salesmen can make certain that the packs are on the shelf.

Traditional work for auxiliaries—interesting retailers in Spanish olives.

Jeremy Bullmore

Bullmore tops JWT

FORMER creative director Jeremy Bullmore is the new chairman of J. Walter Thompson. For the past 18 months he has been deputy chairman to Denis Lanigan, who has given up the chairmanship to concentrate on his overseas activities—he is chairman of the European Management Group and responsible for billings of $300m. in 25 countries.

Lanigan will still operate from 40, Berkeley Square, but the London operation remains in the hands of Bullmore and managing director John Lindesay-Bethune. There are two new deputy chairmen, Hugh Miles and Alec Morrison. The position of John Treasure, chairman of the JWT Group, is not affected.

● ACCORDING to research company AGB, the U.K. dog population is falling. It reckons there were 4,813,000 dogs in June, a 3 per cent. fall on a year previously, an ominous development for petfood manufacturers.

● COGENT Elliott has been appointed to handle the £75,000 launch of a new Carrefour hypermarket in Birmingham. Another new account for the agency is London Brick Building's Banbury Greenhouses. Home Extensions and Showsite business, worth £175,000.

Reckitts drop Y & R

IN A shock move Reckitt and Colman has dropped Young and Rubicam as one of the agencies working for its food, and household and toiletries divisions. On the food side the Robinsons soft drinks and Jif Lemon brands have gone to another Reckitt's agency, Collett Dickenson Pearce, which has also gained Mr. Sheen from household. Other beneficiaries are Masius, which picks up Cossack hair spray, and Dorlands, which gets Loxene.

The actual amount of advertising lost by Y and R is open to dispute. The agency reckons that it has dropped less than £800,000, and points out that it still handles £600,000 worth of billing for the Reckitt's pharmaceutical side, including brands like Disprin, Lemsip and Valderma. But the agencies that have gained accounts expect to enjoy bigger advertising budgets—CDP places the Robinson, Jif, and Mr. Sheen business at £1.3m. in 1977.

The most obvious explanation for the rationalisation is the presence of new marketing men in the household and food divisions over the past year. It is quite common for new directors to show their muscle by switching advertising agencies.

But there is also an element of rationalisation in the changes, which follows upon a decision by Reckitt and Colman earlier this year to place all its television buying through CDP, a sum variously estimated at between £3m. and £5m. a year depending on whether you are a gainer or a loser of business.

The acquisition of the extra advertising from Reckitts is particularly timely for CDP which announced its half yearly results yesterday. They show a pre-tax rise in profit of around 40 per cent. to £312,109, although managing director Frank Lowe warns that although prospects still look good a lot of the agency's turnover was bunched in the first six months.

Spot the soccer ads

ON Saturday spectators at eight London football matches will hear commercials for the Daily Mirror, Gillette, Woolworths, Fabergé, Wills, Lloyd Industries, Mecca, Music for Pleasure, and British Leyland.

Unfortunately the numbers involved will not be all that great because only two of the clubs involved, Charlton and Crystal Palace, have home matches, but this will be put right on succeeding Saturdays, at such pitches as Tottenham Hotspur, QPR, and Chelsea.

All of which means that Soccer Sounds (first mentioned on this page on July 1) has got off the ground. The idea behind this new advertising medium is that the record programmes heard before football matches, and during half-time, should be inter-laced with commercials.

Since launching the idea Soccer Sounds has changed its format slightly. It has 48 clubs interested in taking part, and intends to go national in late November, but it is offering a less rigid service. It is also testing the idea in London to prove to dubious advertisers that it works.

Not that advertisers are getting the test for nothing—they are paying £500 and have usually prepared special commercials for the 81 per cent. male, predominantly C1 C2 and young, audience to be reached at football matches. If they decide to go national it could still cost £31,600 to reach an estimated 22.5m. football spectators, and perhaps more, this season.

But Soccer Sounds is prepared to be more flexible. It is, for example, negotiating with Marley Tiles, which just wants to advertise on 16 grounds, and with Mecca which wants coverage in the London area. Even so, there is only room for a dozen advertisers on the tapes which are sent out to the grounds and changed each month.

If the idea takes off Soccer Sounds expects to move into Scotland, for the clubs are interested—they have no costs and receive a percentage of the take, which should work out at an extra £500 for Spurs just during the London trial. A full season's smooth operation of the scheme could benefit soccer to the tune of £155,000.

TV costs in 1977

THE cost of television time to advertisers in 1977 will be roughly 25-30 per cent. above the 1976 levels in the early months, but fall to nearer a 20 per cent. rise from March onwards. This is the forecast of agency Davidson Pearce Berry and Spottiswoode in a booklet, "Some Views on the Television Auntime Market in 1977."

Davidson Pearce envisages a slowing down in the increase in television rates to less than 5 per cent. in the first half of the year (as against the 35 per cent. annual jump this autumn); but this advantage will be offset by a 5 per cent. fall in ITV audiences, caused partly by IBA pressures to offer more "balanced" programmes and partly by a general decline in total television viewing.

Demand for advertising time is forecast at 10-15 per cent. greater than in early 1976, but with some falling off later in the year. The agency expects that advertisers will be advised, because of the higher cost per thousand, to take spots in the cheaper periods—January-February, mid summer, and December.

All told the slightly higher rates from the contractors, the fall in audience, and the growth in demand produce the estimated 25-30 per cent. increase in cost per thousand, falling later in the year as demand slackens.

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THURSDAY, OCTOBER 7, 1976

Reconciliation at Brighton

THE DEED has been done. Mr. Edward Heath has stood up in public, before the Conservative Party conference, the television cameras, and the nation, and declared his support for his successor as leader of the party, Mrs. Margaret Thatcher. He has "complete confidence," he said at Brighton yesterday, that the difficult decisions that must be taken in the national interest will be taken by Mrs. Thatcher and her colleagues. Whether or not Mr. Heath himself yet realises it, that single sentence has probably bound him to continuing loyalty to the new Tory leadership, since any further challenges to that leadership would be likely to erode his own support among the rank and file.

For events have a power of their own. The response to Mr. Heath's speech yesterday was divided: some cognoscenti were clearly affected by the rapturous standing ovation that he received, and told themselves that the reconciliation with Mrs. Thatcher was complete. Others point out that he barely managed a single sentence of support, and that its delivery was grudging while the occasion for it had to be manufactured by the strenuous efforts of those around him.

Waiting

Those who take this second view also argue, with plausibility, that since his fall Mr. Heath has come to adopt the attitudes of an elder statesman, above the battle: a future leader of the nation who, like General de Gaulle, is waiting for a more or less irrelevant period of years to pass by before the call for his return is made by a people in despair. Some 99 per cent. of his speech yesterday was spoken in terms that are consonant with this view.

From the point of view of the unity of the Conservative Party, and hence of the morale of its members, the important question is not so much whether this perception is correct—but whether it would matter if it is. If there is an early election then it is reasonable to suppose that Mr. Heath will give his assistance to the campaign. If the election lies some time in the future then he may be tempted to continue with a series of speeches that set out his personal view of, say, incomes policy—a view that would no doubt differ, in emphasis at least, from the current official policy of the party. Such speeches, and the accompanying publicity, might well be interpreted as another example of rocking the boat.

Hazardous

Yet from now on any such manœuvre will be extremely hazardous for Mr. Heath. The new policy document, "The Right Approach," sets out with some skill to provide a bridge between the "Heathite" and "Thatcherite" wings of the party. It is not a full exposition of what should be done by a future Tory Government, but it is certainly a useful party political device. Many of Mr. Heath's erstwhile supporters will accept what it has to offer: Mr. Peter Walker has already announced his willingness to serve under Mrs. Thatcher.

At the same time the party as a whole has been affected, like everyone else, by the economic crisis. The spectacle of Labour disunity and the neo-Marxist Left in action at Blackpool has created a sense of urgency about the need to bring the Conservatives together again so that they can begin to look like a credible alternative Government. Only a completely disunited party, split by factions, could fail to grasp the political opportunity presented by the current disarray of the Labour Government. For all these reasons the Tories wanted—wanted very much—to believe that what they saw yesterday was a reconciliation. They are unlikely to take kindly to anyone who disappoints them now.

An attempt to make Leyland viable

LEYLAND Cars must bring the productivity of its factories up to the level of its overseas rivals. If it fails to do so, the company will go on making losses or wholly inadequate profits and the burden on the taxpayer will grow. To prevent that from happening, the National Enterprise Board has said that it will not approve major capital expenditures unless the necessary improvements in productivity have been discussed and agreed with representatives of the workforce. The management has been trying to get across to the workforce that the NEB means what it says: it is unfortunate that the methods which were used at Longbridge this week led to a quite unnecessary fracas and, incidentally, added to the pressure on sterling.

Representatives of the workforce in the five factories which will be concerned with building the new Mini had been asked to give a commitment to higher productivity on this programme. By the start of this week four of the factories had agreed to the commitment, but Longbridge, the largest, had not. Hence Mr. Derek Whittaker, managing director of Leyland Cars, addressed the shop stewards on Monday and warned them of the implications of not accepting the productivity commitment; he opinted out that the Mini proposal was due to come before the NEB on Friday. The gist of Mr. Whittaker's comments was passed on in the form of a briefing document to Longbridge managers and this document, which was leaked to the Press, contained phrases that seemed to imply catastrophic consequences for Leyland Cars if the Friday deadline was not met.

Real urgency

The wording of the document was probably a mistake: Friday's meeting of the NEB would not necessarily be a decisive one and further meetings can no doubt be convened. But the thinking behind the paper, which is to instil a sense of real urgency into the minds of the shop stewards and the people they represent, is undoubtedly correct. Leyland's management is attacked often enough for allowing overmanning and other inefficiencies to persist; it must be extremely galling to be criticized for trying to do something about it.

Cynics will say that the commitment to higher productivity is in no sense binding and will not prevent the usual haggling when manning and work-rate arrangements are negotiated in detail. It is perfectly true that the commitment could be regarded by the shop stewards as a piece of paper to be torn up when the real bargaining begins. What the management is aiming at, by discussing every aspect of the Mini programme with the workforce through the participation arrangements, by explaining the economics of the projects and the risks involved, is to develop attitudes, at all levels, which are more receptive to the need for higher efficiency.

The commitments which Mr. Whittaker has been seeking are part of that process of education and persuasion. There is some sign of a change of attitude at the level of the senior shop stewards, though whether they will be able to carry the rest of the workforce with them is another matter.

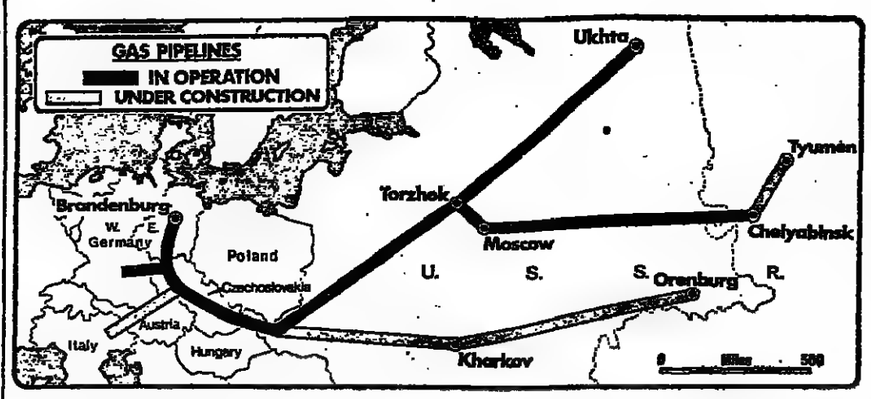
Support

One of the difficulties about the whole Leyland rescue operation has been to define the point at which the company's labour relations and productivity performance becomes so bad as to justify the Government in withholding further assistance and allowing the business to contract. Some employees probably think that the Government would never take such a decision and this makes Mr. Whittaker's task all the harder. But if he can get the shop stewards on his side and enlist their active support in the drive to raise productivity, there is at least a chance that the company can be made viable.

British contractors may be breaking into Russia

The big Siberian pipeline deal

By GEOFFREY OWEN in London and DAVID SATTER in Moscow



Laying a gas pipeline in the Siberian snows near Tyumen.

WHEN SIR Harold Wilson extended the £950m. export credit arrangement with the Soviet Union in February of last year, there were hopes that a great new export opportunity had been opened up. In the event, not much business has been done; £42m. of the credit has so far been taken up. Although the Russians have been placing orders for some huge industrial projects, only the crumbs (including a few substantial ones) have come to Britain, often in the form of sub-contracts from Continental or American main contractors.

This disappointing background explains the Government's intense interest in the negotiations now in progress for the sale of British-made gas turbine compressor units for a Russian gas pipeline. The value of the contract is in the £100m.-£150m. range; if it comes to the U.K., it will be the biggest export order for Britain in the history of Anglo-Soviet trade.

Two British groups are in the running. One is GEC Gas Turbines, subsidiary of GEC. The other is a specially formed consortium called Coberrow, consisting of Rolls-Royce (1971), Cooper-Bessemer (a division of Cooper Industries of the U.S.), and Willbros, an international pipeline engineering concern. Both tenders are based on the Rolls-Royce Avon engine as the power unit.

A third offer incorporating the Avon is believed to have been submitted by Dresser Industries of the U.S. This company's Clark compressors, together with those of Cooper, Ingersoll-Rand, and a few others, are among the best-known names in this field.

The British negotiators have had to cope with more than the normal questions of price, delivery and performance. First, they would be acting as prime contractors for a number of fully equipped compressor stations, requiring engineering and programme management skills of a high order, as well as the co-ordination of many different sub-contractors. Second, they have had to convince Machinoimport, the Soviet buying organisation, and the Soviet Gas Ministry that it makes sense to switch away from a type of gas turbine compressor system on which the Russians have spent over $1bn. during the last four years. The Avon-powered unit, though widely used for gas transmission in other parts of the world, is untried in the Soviet Union.

Virtually all the compressor stations so far ordered by the Russians for their new gas pipelines are based on heavy-duty equipment designed by General Electric of the U.S. and supplied either by General Electric itself or by its manufacturing associates in Europe and Japan. To shift from GE's industrial turbine unit, which has become almost standard equipment, to the light-weight aero-engine, unit is a major technical step; it is still possible that the Russians will decide to stick to what they know. (The GE gas turbine is a single piece of machinery which drives the compressor; the light-weight system uses a derivative of an aircraft jet engine which is combined with an industrial power turbine to drive the compressors.

Number of suppliers

The Soviet Union is committed to an ambitious programme for increasing the supply of natural gas from the new fields east of the Urals and in Siberia to Western Europe. To do this, a series of pipelines are under construction or planned, all of which need a large number of booster stations along the route to ensure maximum flow of gas. General Electric's first big order, worth $252m., was for the Bratstvo project, involving two pipelines running to Kharkov in the Ukraine and to Torzhok in the north. The order was for 65 gas turbine compressor modules, together with all the associated equipment, spares, technical support, and the design and equipment for a complete gas turbine service shop.

Partly to meet delivery requirements and partly for reasons of finance, GE spread the work out among a number of suppliers. According to figures published recently in Gas Turbine World, GE kept 21 of the gas turbine units for manufacture in its own plant at Schenectady, New York, while sub-contracting the rest to its manufacturing associates. These were AEG-Kanis in Germany (8 units), John Brown Engineering in the U.K. (12), Hitachi in Japan (8), Nuovo Pignone, part of the state-owned ENI group, in Italy (6) and Thomassen in Holland (10). Compressors were bought from Cooper (17 units for manufacture in Canada and Holland), Nuovo Pignone (24) and Ingersoll-Rand in the U.K. (24). Most of the ancillary electrical and gas handling equipment came from AEG and Mannesmann in Germany.

Co-ordinating all these suppliers was a complex undertaking, even for General Electric, and one of the keys to it was the standardisation of design so that all the gas turbine and compressor units, though built by different manufacturers, were interchangeable. The order was placed with GE in August, 1974, and the final shipment arrived in March, 1976.

GE's manufacturing associates are required to buy certain parts of the gas turbine (including the hot rotor) from GE itself, but the arrangement does not prevent them from competing directly for any business that is available. When the second big contract—for a pipeline from the Orenburg fields to Uzhgorod on the Czechoslovak border—was placed earlier this year, the successful bidders were two GE associates. AEG Kanis received a $575m. order for 123 gas turbine compressor sets; and Nuovo Pignone a $175m. order for 35 sets.

Once again other GE associates are doing part of the work and some of this business has come to the U.K.; John Brown Engineering will be making 33 of the gas turbines at its Clydebank factory. As for the compressors, Cooper got an order from AEG for 88 units, of which 28 will be made in the U.K.; last year the company took a long lease on the former English Electric factory at Netherton, near Liverpool. The shipments are due to be completed by 1978.

The next big contract to be let is for the Chelyabinsk pipeline. It is the one that concerns GEC and Coberrow. For several years efforts have been made to sell the Russians Avon-powered compressor sets. Rolls-Royce itself, besdes talking to the Russians about possible co-operation in aircraft engines, has tried hard to stimulate interest n land-based applications.

Cooper, which has a licensing agreement with the Russians on certain of its products, quoted the Avon-powered unit for the Orenburg pipeline order last year. Although the Russians decided to stay with the GE design, their response was sufficiently positive to encourage Rolls-Royce and Cooper to persist.

Their persistence was rewarded at the end of last year when Rolls-Royce was invited to tender for the Chelyabinsk project. Since this is not the type of business where Rolls-Royce normally acts as prime contractor (as it does, for example, in electricity generating sets), Cooper was brought in and a consortium formed to undertake the scheme.

Because of the size of the order—the Russians want 50 sets, with the prospect of more to come—and because the requirement, as in the GE and AEG contracts, was for a complete package including piping, switchgear, valves, gas handling equipment, and so on, Willbros was asked to join the consortium to handle that side of the business. Willbros has made arrangements to source almost all the equipment in the U.K. Cooper will manufacture the compressor and most of the turbine in the Netherton factory.

Meanwhile, GEC, which has been cultivating the Russian market for a long time and has been trying to sell its own Avon-powered gas turbine compressor sets, was also invited to tender for the Chelyabinsk project. In its bid GEC is taking full responsibility for managing the project as prime contractor, but will use the services of a British pipeline/process engineering company to play the same sort of role as Willbros in the Coberrow consortium; the ancillary equipment will be purchased in the U.K., some of it from GEC itself. GEC will make the power turbine and the associated electrical and electronic equipment in its own factories. It will buy the compressor from one of several possible suppliers, depending on the Russian preference. This is the approach which GEC has followed in other gas turbine compressor installations where it has acted as the main contractor.

Both GEC and Cooper have installed Avon-powered equipment of this type in the U.K. and in several overseas markets, notably Canada, where the customer, Trans Canada Pipelines, operating in conditions not dissimilar to those of the Soviet Union, has virtually standardised on the light-weight unit.

One of its advantages is that it is compact, easily transportable and requires very little maintenance. In remote areas where there is no road or rail transport units can be delivered by helicopter if ne[illegible] Experience in Canada [illegible] shown these units to [illegible] pletely reliable for [illegible] operation in extreme [illegible] tures.

Over the last few mo[illegible] the discussions with [illegible] Russians continued, the [illegible] nical case for the light-[illegible] unit has been accepted [illegible] reported in the Financial [illegible] on August 16, the negoti[illegible] with the two British [illegible] seemed to be reaching [illegible] clusion. Some delay has [illegible] caused by other negotia[illegible] which have recently been [illegible] pleted, on a separate [illegible] turbine compressor order [illegible] extension to the original [illegible] contract. This order has [illegible] split between AEG and Hit[illegible]

On this occasion the po[illegible] climate seems favourable [illegible] U.K., the terms of the [illegible] arrangement are known [illegible] highly competitive, and [illegible] recent behaviour of st[illegible] must make the British [illegible] even more attractive. The [illegible] nical and management [illegible] petence of the two group[illegible] suppliers—and the fin[illegible] resources behind them—[illegible] in question.

Whether this will be [illegible] remains to be seen. For [illegible] Royce the acceptance by [illegible] Russians of the Avon en[illegible] for gas pipeline transmis[illegible] would be an important [illegible] through in a potentially [illegible] mous market. For GEC [illegible] pipeline order would be [illegible] demonstration of its ability [illegible] compete on equal terms [illegible] its strongest international [illegible] petitors. For the U.K. the [illegible] tract would be good [illegible] employment and a useful [illegible] to morale at a time of [illegible] about the British economy.

MEN AND MATTERS

Miss Kehoe's medicine

On an aircraft en route to Sydney this morning should be a comely young Australian with a medical mission. Janet Kehoe, until last Thursday Press secretary to the minister responsible for energy conservation (she has served no fewer than four of them in the last year), has metamorphosed into Stanbridge Kehoe (U.K.). "A single-handed effort," she says, "to redress the balance of payments."

Her scheme is to help export U.K. medical products—anything from fashionable electronic gadgets to bedpans. It is one of the fastest-growing sectors of U.K. exports, worth £500m. last year, which was 55 per cent. up on 1974.

Miss Kehoe is chasing the small - to - medium - sized U.K. medical manufacturer with scant experience of exporting. She wants to liaise with her native land and the East generally, for example in arranging licences, or servicing for the more sophisticated products. Her immediate destination is the forthcoming International Hospital Equipment Exhibition in Sydney, where for the first time 18 U.K. companies are exhibiting.

Miss Kehoe's qualifications for this mission include three years spent as medical librarian at a teaching hospital in Sydney before coming to Britain in 1971, to find out how the NHS worked. Here she spent time in no fewer than ten London hospitals, and a year with the British Overseas Trade Board.

Her plans now are to set up a head office in Sydney, find representatives in Melbourne, Canberra, Brisbane and Perth, and get back to her Knightsbridge home by January. Why Stanbridge Kehoe (U.K.)? Stanbridge, it seems, is her own middle name, "one of those family things" in which as eldest daughter she has taken the maiden name of her paternal grandmother.

Keys and the favoured sector

It is becoming rare to hear a City man enthuse: Tony Keys talks with considerable rapidity about how his business is "incredibly favoured by factors which could be the ruination of most industries." Depreciation of the pound and high interest rates only help, and a reasonable stock market rating follows . . . so what is it that makes Keys so enthusiastic? The answer is insurance broking.

Keys, 34, has become a director of the Stewart Wrightson insurance broking company, his career having traversed an unusual path from a stockbroking base. Until the middle of last year, he was with stockbrokers Sheppards and Chase, where he worked on the institutional research side taking a particular interest in, and building up a reputation for, the study of insurance brokers.

Since July 1975, he has been running his own consultancy firm, getting involved in several merger and cash-raising exercises that have been a by-product of the sector's buoyancy. Stewart Wrightson, probably London's third biggest in its field, has done as well as any, particularly because of its widely-spread network of offices in North America. SW is part of the Matthews Wrightson group, which earlier this month reported its insurance broking half-year profits 91 per cent. up after absorbing the exceptional expenses of moving SW's head office.

So Keys' optimism is understandable. Even adopting inflation accounting procedures does insurance brokers good and Keys insists that despite the "all wind" factors, there has been "good organic growth underneath it all."

And without insurance, where would the balance of payments be? Naturally, Keys sees any talk of nationalisation as folly. The Prime Minister has ruled it out, of course, and so far the pre-eminent London market has been spared the spectre of frightened-off business by the worldwide shortage of risk capacity. But talk of nationalisation at home is one reflection of shifts of power and wealth all over: "It's time," declares the energetic Keys, "for companies to be on the ball."

Forecast, 1942

After writing about the export enthusiasms of Janet Kehoe and bubbling optimism of Tony Keys, it seems unkind to labour sterling's plight, but a reader has turned up an interesting banknote which he has in a collection.

It is actually a facsimile propaganda one pound note dropped by the Germans in North Africa in 1942 with the aim of discouraging the Arabs from accepting English money. On the other side from "promise to pay" and stout-hearted Britannia, the note is covered in elegant Arabic script which has been translated as follows:

"If you look closely at this bank note you will remember the person who would pay you in return for it ten times its weight in glittering attractive gold.

"This is because the bank-note was guaranteed by the great Empire with all that it had of might, riches and stature. But its greatness has faded and its riches have gone like paper when it is worn out.

"So what is the value of paper (money) to-day? No doubt you would know. Everything in this war, which has been stirred up by England, has weakened the strength of the English empire, and every battle lost by England has been a cause for the deterioration of British money.

"The day is near when even a beggar on the street corner will refuse to accept the English pound when you offer it to him.

"God has willed that England should disintegrate."

All I can say is, I hope not.

Unfair

Surely there's a better way of putting it. The Employment Services Agency in a statement out to-day talks about "training for key people such as Disablement Resettlement Officers (DROS)."

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Paying the price for acting late

RE YOU going to write an- r gloomy piece about the nomy, the money supply and that sort of thing?" I was ed by a friend at a party the r night.

here is nothing inevitable ut such articles or the facts ch give rise to them. But to into a new area where the rules would no longer apply ld require a change in our tical affairs to which the n actors are still highly re- ant.

he principal sign of such a nge would be fairly easy to et. It would be a readiness Mr. Callaghan to govern with najority of the House of mons rather than a major- consisting entirely of Labour nbers. For this to happen it ld be necessary for him to the Labour Party as a means er than an end, which ld mean rethinking the ities of a lifetime.

ven if he were ready to do it would be possible only if Thatcher were prepared nis retaining the reasonable ctions to head a Tory Gov- ment in the future) not to doit such an act of courage order to precipitate an imme- te election.

n any case, if the Conserva- s are going to do no more n "relax" price and divi- d controls, and continue the icy of industrial subsidy ile making a ritual sacrifice the NEB, I cannot see what provement that would be on present Government if that e unhampered by its Left, n confining consideration irely to economic policy.

he view which needs to be ected decisively is that the y coalition which matters is t between the Government y government) and the TUC. this were true, it would no ger be necessary to write pessimistic articles about the future of democracy, as democracy would be already dead and, even more important, so would be political freedom.

Such a pessimistic line of thought rests on the view that union power is the main reason why both inflation and unemployment rates have been creeping upwards. Those who hold it never explain why these rates have been creeping upwards in almost all countries, irrespective of the strength of their unions, or even whether union activity is allowed at all. Nor does it explain why the relative success of different countries in tackling such problems bears no relation to whether they have government-union pay deals or not.

Creeping crises

Neither British leader has yet risen above the normal level of party management to deal with creeping political crises of the system. One or both may yet do so. We have not yet seen the full unfolding of events, which is likely to strain conventional political loyalties to breaking point. At least the top present leaders are great improvements on their predecessors, and there is no way out, as some suppose in a return of Mr. Heath or Sir Harold Wilson to the centre of affairs. In so far as we can personalise issues, it is their policies over 12 years which have brought us to where we are.

* * *

Meanwhile a fairly conventional drama is being played out. A few months ago, I thought that the rate of inflation would settle in the 10-15 per cent. band, that a recovery in the demand for goods and labour would prevent that rate going much lower, and that trouble would come at some stage in the next boom.

Now under the impact of the sterling fall and the need to satisfy the IMF, the authorities are being forced to adopt monetary policies which may well ultimately reduce the rate of inflation to single figures.

But it will be "ultimately" in the economist's sense. The man in the street will be noticing the impact of the falling pound on import prices, higher interest rates and indirect tax increases for a good many months to come; and in my view these will outweigh the impact of the lower pay norm.

There is, as I have often argued, no permanent long run choice between unemployment and inflation. But it is still true that it requires abnormal unemployment and excess capacity to move the economy from one rate of inflation to a lower one.

The question is no longer whether Mr. Healey will produce a package but how soon. The Chancellor is clearly not merely going to have to make his 12 per cent. money supply target for this financial year a firm commitment. He will also have to announce diminishing targets for future years, just as Sir Geoffrey Howe has promised to do. Characteristically, the two major parties have arrived at the now conventional wisdom several years later than the U.S., Germany or France, to name only a few countries, and after the main damage has been done. The monetary targets will have to be accompanied by targets for domestic credit expansion, the practical effect of which will be to restrict monetary growth still further if there are adverse pressures on sterling.

> **"If the Conservatives are going to do no more than 'relax' price and dividend controls, and continue industrial subsidy while making a ritual sacrifice of the NEB, I cannot see what improvement that would be on the present Government unhampered by its Left, even confining consideration to economic policy."**

Neither the IMF nor the main governments behind it are going to accept a monetary target as a simple piece of black magic. They will want to know how it is being achieved. Now that the fuller story of the run on sterling is beginning to emerge, the weakness of the U.K.'s bargaining position is all the more apparent.

Although official sterling balances continued to run down in the third quarter of the year, the decline was not on quite the scale that some feared: and surprisingly enough privately owned sterling balances remained remarkably steady. The two main reasons for the fall in sterling were the current account deficit, the full size of which we do not yet know, and the absence of favourable speculation which, contrary to popular superstition, normally smoothes out the trading fluctuations.

The steep fall in sterling took place on a fairly small volume of business; but the position has been asymmetrical. For the authorities have not been able to push sterling up with fairly small purchases, as they would normally have been able to do in this kind of market. The main effect of any temporary strengthening in the rate, or rumour of official support, is to bring out sellers who see an opportunity to move out of the currency.

It is pretty well taken for granted in financial circles that the U.K. will need further international credit over and above the $3.9bn. IMF drawing of which only $2bn. or so will be left when the central banks have been repaid. The additional credits might take the form of an international loan to give sterling balance holders an optional conversion facility; there could be a new central bank standby, or the U.K. might receive an exceptional additional credit from the IMF under what is called the super-tranche arrangement. There are innumerable variations.

But it is clear that international support operations will not be separated from British internal economic policy. No-one will try to stop Mr. Healey from claiming that the changes here are merely implementing existing policies, so long as the changes take place.

The first choice of measures will be in the monetary field. More calls for special deposits are possible. So is the revival of the control on the "interest bearing eligible liabilities" of the banks with the hideous alternative names of "Ibels" and "the corset." Directives to the financial institutions have strong support among some politicians; and the battle over import deposits is still proceeding.

But at the end of the day, reliance on credit restraints alone will be seen to put too much of a strain on interest rates and funds for investment. Further reductions in public sector borrowing will be needed: and our creditors are no longer likely to be satisfied with a £9bn. deficit forecast for 1977-78.

Mr. Healey will feel obliged to look for tax increases—packages of which the Treasury always has ready—before touching public spending. Income tax is regarded as pretty well at or above the upper point of toleration for all sections of the community. A further major increase in corporate taxation would shatter internal confidence and for the first time bring the threat of resignation from Ministers on the Right wing of the Cabinet.

This leave him with indirect taxes such as VAT, petrol, drink, tobacco and vehicle licence duties. Sir Geoffrey Howe was complaining of the revenue the Government had thrown away by allowing indirect taxes to fall as a share of the total; and the same calculations are available to Mr. Healey. So once again behind the show of battle, the two sides are likely to agree on tax increases which will raise the price of what we buy in the shops, but which economic initiates will maddeningly call "anti-inflationary."

But I doubt if these will be enough; and by some form of black magic, and with a lot of misleading talk about "pressure on resources" and giving first place to industrial investment, further cuts in public spending are likely to emerge. This winter's public expenditure White Paper will provide an opportunity.

Too optimistic

The effect of fresh demand curbs will be to slow down recovery, which has already had a setback in the last few months, and prolong the period of abnormally high unemployment. I would put the 1977 growth rate somewhere between the 2 per cent. predicted by Economic Models and the 4½ per cent. in the Treasury forecast. This means a halting recovery and little improvement in unemployment. The imaginative use of monetary policy to influence expectations might two or three years ago have reduced the output and unemployment cost of anti-inflationary policy, but it is now too late. The alternative of stabilising the inflation rate at just above 10 per cent. and adopting our institutions to deal with it, has also been ruled out by the mismanagement of foreign exchange policy, which has taken the decision out of British hands. Thus we are left with a slow and cheerless gradualist strategy.

This view of our prospects is reinforced by the slowdown in world economic recovery, particularly in the U.S. and Germany. According to OECD forecasts, which now look too optimistic, the growth of world output in the year to mid-1977 is going to be less than two-thirds as large as in the corresponding period of the last upturn.

There remains the theoretical possibility of using the cost advantage from the fall in sterling to increase the British share of existing world markets. But there are all too many reasons, ranging from generalised lack of confidence to the incentives at the individual level, for discounting such a renaissance.

For the industrial world as a whole, a modest industrial recovery is probably a very good thing and may even give the Western system a new lease of life. But what may be a healthy slowdown elsewhere spells debilitating stagnation for the U.K.

LABOUR CONFERENCE

A week ago on this page we published a picture of Mr. Anthony Wedgwood Benn and Mr. Michael Foot sitting together on the platform at the Labour Party Conference. The caption read: "Part of Mr. Callaghan's unenthusiastic audience on Tuesday: Mr. Benn and Mr. Foot." This was an error since the photograph was not taken while Mr. Callaghan was speaking. We regret the error and any embarrassment which it may have caused either to Mr. Anthony Wedgwood Benn or to Mr. Michael Foot.

Letters to the Editor

More corn—not chaff

From Mr. F. Whitehouse.

Sir,—Joe Rogaly's nodding acquaintance with selected building sites cannot possibly make him an authority on working-class attitudes (Oct 5) any more than my own 25 years in a laundry and 15 doing the rounds of erection sites around Britain, is being one of his disadvantaged Northerners, makes me an acceptable mouthpiece.

But I must insist that he's got it all wrong if he thinks that working folks are all hell-bent on equality, social or otherwise. I believe it possible or desirable.

What they will not take is that this is a fair society where only innate ability or special effort counts. For them it is riddled with advantages of birth, cash, status and education for the chosen few, with the left-overs for the many. A battle-ground for the rich, the clever, the wily, the unscrupulous, the strong. Which is why they have come to rely more and more on industrial muscle to offset the disadvantages of their birth and upbringing.

It is only in coming to this conclusion that they have let history influence them. Only to the extent that the Left endorses the creed are they regarded as leaders. For the first time workers think they have a weapon that puts them on level pegging with the better off. It lets them demand a hand in management for no better reason than that they have the strength to insist upon being both heard and heeded, even though they don't claim the ability to talk wisely.

Very few in the working-class now feel actively disadvantaged, simply because they think they can get their price and a bit besides from industrial muscle. Nor do they feel inferior, for exactly the same reason. Nor guilty because they used naked strength. Because they have come to believe that present day living is nothing more than a play of strengths of one sort or another. Bluntly they are pretty all of themselves, require no man's pity and go about their ways—cheerfully cynical. Best of all they enjoy being a power in the land.

What's more they are not going to be talked out of their present attitude until someone offers something that pays off as well. Freedom to climb ladders has no attraction simply because there is room for so few higher ones and widespread ambition is a divisive thing, a carrot they won't fall for. And nothing will persuade them to come off that perch. It's been too profitable.

Mr. Rogaly seems to think that it will be a promising dawn when we accept brickies and the rice in our midst as we would a £10,000 a year man. He should change his glasses because he is not reading the signs right. It's more corn the "lads" are wanting not chaff. Now if he thinks he knows someone or something that will knock sense into our heads . . . That would be different.

Whitehouse.
15, Ecclesfield Road,
Chapeltown, Sheffield.

Exciting new game

From Rowena Mills.

Sir,—I wonder how many of your readers on return from holiday have noticed that in order, one supposes, to relieve boredom in the long winter, London Transport has devised a new and whimsical game designed to confuse even the experienced traveller. This is called "*Change the name.*" The first essay into hitherto untilled ground has been the changing of the decades-old name of "Charing Cross" on the Underground, to "Embankment." What makes it all such particular fun is that while the name on the station has changed, not so on the maps carried on the relevant underground trains—presumably a capital expenditure economy. Thus hordes of anxious commuters and sightseers are to be seen peering at the map in the compartment and then, after an intensive look at the name on the station name board, leaping out in total confusion.

Congratulations, London Transport! This seasoned traveller did the same and almost lost her main line train. Better luck next time with whatever is the next name change planned in this exciting new game!

Rowena Mills.
West Grove,
Highercombe Road,
Haslemere, Surrey.

Official reserves

From Mr. J. Weiner.

Sir,—Your leader "time to tell it like it is" (October 5) might perhaps also have included a call to "call them what they are." The term "official reserves" has become a gross misnomer. It continues to convey a dangerously false impression to all alike. Behind the large print of "no change" or "no fall," there invariably is the small print of continued borrowings. The term "official reserves" will remain meaningless from all points of view, informed or uninformed, private or public, until the reserves are shown as being net of all liabilities. It is only then that all will see that the cupboard is bare. Why not "net financial reserves" or such like?

John M. Weiner.
Spencers Green,
Tring, Herts.

Location of industry

From The Managing Director, Gordon Lilly Company.

Sir,—I cannot agree with the article "Location becomes a vexed question" (October 5) wherein it is stated: "It is motorways and roads which are the biggest single factor in location." This is an important factor and often significant but is seldom the biggest. The science of plant location includes numerous factors to be examined and financially scored to meet plant needs.

The scientific approach to industrial location, proven over many years and the key to many £b of investment made, exists as an alternative to hit-and-miss decision making and/or the less than comprehensive assessment of only some of the factors. Most often the primary factor is that of people to work the plant; the right people from every standpoint who, as a whole, can best effect and maximise productivity, profitability and sound growth investment. Thereby, an optimum location can result in a "marriage" — a locational fit — as between company needs and local community resources both local and their situation in a national infrastructure.

I agree with the article that the national industrial development certificate policy is due for review; indeed, it is much overdue. Without such policy and constraints there would still be safeguards, through local planning control, to avoid an unacceptable plant location. This local community planning procedure — when set in harmony with the company decision makers—could do much to ensure correct decisions, with more speed and efficiency than we get to-day. The development regions need not fear from the removal of the out-dated IDC system as, most often, the regions have the resources which new industrial investment requires; but the determination of the optimum location must be the paramount motivation of decision.

W. Gordon Lilly.
4, Sandhurst Close,
Sanderstead,
South Croydon, Surrey.

Road building is dead

From Mr. G. Stern.

Sir,—The Deputy Director of the British Road Federation claims that to halt road planning would be like ceasing to train teachers and doctors (September 29). In fact, teacher training has been virtually halted despite the fact that this does not augur well for the future of the country.

If we realise that oil at reasonable prices is not likely to last for more than two or three decades, there is a good case for saying that there is already too much road investment, and not enough rail and canal investment. Also, an end to teacher training would mean no teachers after some years; an end to road planning would mean that the present ample road network would remain in being. But in any case, as the pro-road Transport Consultation Document admits that there is no national transport policy, it is clear that no case for further road building can be made, unless the BRF have some private information not known to the authors of the *Consultation Document*.

Quite apart from these theoretical arguments, the Winchester, Airedale and Archway inquiries show that people are no longer prepared to submit to the merciless cruelty of road building, whereby communities are wiped out like nests of cockroaches. Road building is dead, unless indeed officialdom is prepared to shoot objectors down.

George J. A. Stern.
6, Eton Court,
Shepherds Hill, N.6.

Out-of-date Parties

From The Prospective Liberal Parliamentary Candidate for Shoreham

Sir,—Your reader Mr. J. Inman (October 5) has hit the nail on the head. Neither of the monolithic parties, Labour or Conservative, has the support of anywhere near a majority of voters; both are out of date and neither satisfies the aspirations or requirements of the present-day electorate.

But I must take Mr. Inman to task when he so blandly dismisses the Liberals as the only alternative choice. We have the support in the country—6m. voters in 1974 plus the millions who would vote Liberal if they did not feel they were "wasting" their vote under our unfair electoral system. We have the leaders: had Mr. Inman heard David Steel in Llandudno last month, he would have no doubt of that. And the calibre of our Parliamentary candidates is high; we have a far higher proportion, for example, of councillors in their ranks than is the case among the Tories and Socialists.

I accept that the Liberals need strengthening, but could not more moderates of the kind Mr. Inman has in mind join the Liberal Party, thus widening its power base? This would surely be a quicker way forward than trying to start a completely new party which would need a decade to become a force in this country.

Peter Easton.
122, Somerset Road, S.W.19.

Pensions and premiums

From M. K. Burton.

Sir,—Mr. E. L. Rutter (September 29) has pointed out an anomaly in the tables of state pension scheme premiums which leads him to conclude that, if an employer who mistakenly contracts-out in 1978 corrects his action by paying the appropriate premiums before 1983, only in unlikely contingencies will he suffer any significant loss, and in most circumstances he will make a profit, and a handsome one in some cases.

One qualification needs to be made to Mr. Rutter's conclusion. The Secretary of State is not obliged to wait until 1981 before he makes an order altering the premium tables. He can do this at any time although the new tables cannot take effect until the second tax year after that in which the order is made. If he apprehends that heavy losses may be incurred by the National Insurance Fund he could make an order at any time before April 6, 1979, so as to come into operation on April 6, 1980.

The tables prepared by the Government Actuary—which it is understood may be altered in any event before April 1978—are based on an assumption that certain of the premiums should be proportionate to what is designed to be a composite index of the prices of certain classes of investment. This assumed proportionality is not theoretically justified, and is presumably to be defended on grounds of convenience as it considerably reduces the number of tables which would otherwise need to be published.

In any event, the tables already published appear not to be in conformity with the Act which requires that alternative tables should be prepared and applied according to whatever is from time to time the yield on such investments or classes of investments as the Secretary of State thinks fit to prescribe. The published tables do not relate the premium to such a yield, but instead to a fictitious composite price. Moreover, the Secretary of State has not prescribed the investments or classes of investments, but has abdicated their prescription to your newspaper and to the Faculty and the Institute of Actuaries.

When the Secretary of State first has to bring an action to recover certain of the state scheme premiums it will be interesting to see what answer he will give to the defence that his regulations are ultra vires anyway.

Kenneth J. Burton.
Mount Cottage,
Hawk's Hill, Fetcham,
Leatherhead, Surrey.

The major bank staff body

From The Chairman, Council of Bank Staff Associations.

Sir, — I feel I must comment in relation to your item under Labour News (September 30) that the Council of Bank Staff Associations represents rather more than "some" staff in Lloyds, National Westminster and Barclays; it is in point very much the major staff representative body in those banks, with a total membership of some 84,000.

D. J. Hill.
CBSA.
1, Whitehall Place, S.W.1.

To-day's Events

Conservative Party Conference continues, Brighton.

International Monetary Fund annual meeting continues in Manila.

President Giscard d'Estaing of France ends State visit to Iran.

Beginning of 24-hour strike called by two biggest Left-wing unions in France, as protest against Government anti-inflation measures.

Sir Harold Wilson, former Prime Minister, visits Save the Children Play group at Tadworth House, S.E.1.

Delegation from the Federation of Civil Engineering Contractors, meets Mr. Reginald Freeson, Minister for Housing and Construction, over Government plans to give local authorities wider powers to expand direct labour in the construction industry.

U.S. Civil Aeronautics Board expected to lift virtually all restrictions on charter flights apart from booking in advance.

14th Annual Conference of the Association of Insurance Brokers starts in Blackpool (until Oct. 10).

Institute of Housing Conference continues, Scarborough.

Sir Lindsay Ring, Lord Mayor of London, presides at Court of Common Council in Guildhall. (Sheriffs attend.)

PARLIAMENTARY BUSINESS

House of Lords: Rents Prices Bill, third reading. Parliamentary and other Pensions and Salaries Bill, third reading. Valuation and Rating (Exempted Classes) (Scotland), third reading. Education Bill, committee. Race Relations Bill, report.

COMPANY RESULTS

Debenhams (half year), EMI (full year), Morgan Crucible (half year).

COMPANY MEETINGS

Dixon's Photographic, Edgware, Middlesex, 10.30. Dowty, Cheltenham, 11. Gordon and Gotch, 30, St. Bride Street, E.C., 12. Gnome Photographic, Cardiff, 12. Houchin, Ashford, Kent, 11. London Merchants Securities, Winchester House, E.C., 12. Ward and Goldstone, Salford, 10.30.

SPORT

Golf: Piccadilly world match play championship, Wentworth. Carrolls Irish match play championship, Tranmore. Equestrian: Horse of the Year Show, Wembley. Tennis: Pernod Trophy, Bournemouth.

COMPANY NEWS + COMMENT

Wilmot Breeden jumps to £2.72m. so far

WITH SALES up from £32.38m. to £41.16m., pre-tax profit of Wilmot Breeden (Holdings), the Midlands car parts and engineering group, rose substantially from £994,000 to £2.72m. in the first half of 1976.

The directors say that if the higher level of sales continues, second-half profits are expected to be similar to those in the first six months to give a 12-month total of around £5.4m., compared with £2.82m. in 1975.

After tax up from £479,000 to £1.335,000, earnings per 25p share are shown to have trebled from 2.1p to 6.3p.

The net interim dividend goes up from 0.65p to 1p a share—last year's total was 2.45p. The directors say the final dividend will depend on trading conditions during the remainder of the year. Under present Treasury regulations the maximum dividend payable for the year is 2.75898p.

The directors say that sales and profits increased both at home and abroad in the first half, more than two-thirds of the group profit before interest again came from overseas activities.

A higher demand at home and in Europe led to increased sales in the U.K., the first effects were seen of the steps taken last year to reduce costs and increase efficiency.

	Half year 1976 £000	Half year 1975 £000	Year 1975 £000
External sales	41,161	32,384	65,220
Profit	3,196	1,471	3,775
Net int. payable	473	477	915
Profit before tax	2,723	994	2,823
U.K. tax	484	*42	*125
Overseas tax	1,071	521	1,363
Net profit	1,168	515	1,586
Minority interests	2	—	3
Preference divs.	84	54	169
Attributable to Ord.	1,082	431	1,314

* Credit.

● comment

Wilmot Breeden has been recovering with a vengeance and pre-tax profits for the first half are almost as large as for the whole of the previous year. The main reasons are the stringent re-organisation last year, which saw a radical reduction in the numbers employed on the car components side, and the improved demand for cars (and thus components) this year. The big turnround in original car components is welcome but it masks the long-term strategy which is to reduce dependence on them. Profits in the other subsidiaries, notably Triflo, are progressing well and will continue to increase their share of the total in more normal years. The closing of the $6m. liability in March certainly looks fortunate now and the shares at 42p must be among a fairly select group, being nearly 30 per cent. above this year's low. Moreover, under the recovery rules there is room for the dividend yield to grow beyond the normal limit to a possible 14.1 per cent. this year.

LIDEN

The chairman of Liden (Holdings) is Mr. Norman Clothier and not Mr. C. B. Martin as stated in yesterday's report.

HIGHLIGHTS

The first-half figures at **P & O** confirm that the declining trend in profits have been reversed but Bovis is still something of a problem. **Thomson** has also performed well in the first half with profits 90 per cent. higher thanks to a bumper period in travel which has made up for continued losses in newspapers. Completing the Lex column is **Johnson Firth Brown**, where 1975-76 profits are lower but the current year has started better while the loss makers have been sorted out. **Rockware** has had a good first half and profits for the full year should reach about £5½m. **Wilmot Breedon** continues to rise at a rapid rate with first-half profits in line with the previous year's total, while **Hestair** is another company that has used a small issue of shares for an acquisition as a case for increasing the dividend by a substantial amount.

Rockware up £0.4m. at midterm

FIRST-HALF 1976 turnover of Rockware Group expanded from £24.1m. to £29.55m. and pre-tax profits advanced from £1.48m. to £1.88m.

The chairman, Mr. J. H. Craigie says the pattern of 1975 with 20 per cent. of the glass-making machinery shutdown, persisted in the first half. Now, after the hot summer, there are strong signs of improvement; a full production programme and a price increase this autumn make the directors confident of "significantly improving" on last year's record £4.31m. profit.

First-half earnings are shown to be up from 4.29p to 5.49p per 25p share, and the interim dividend is lifted from 1p to 1.3168p net costing £226,118 (£162,998) and absorbing the full permitted increase for the year. Last year's final payment was 2.1672p.

	First half 1976 £000	First half 1975 £000	Year 1975 £000
Group turnover	29,550	24,096	56,443
Glass	27,343	22,373	52,630
Plastics*	1,888	1,483	3,148
Engineering*	319	334	665
Operating profit	3,610	2,161	[illegible]
Glass	3,417	2,066	3,690
Plastics	133	45	67
Engineering	61	50	72
Interest received	—	—	13
Interest charges	753	683	1,485
Profit before tax	2,877	1,478	4,306
Tax	950	762	2,189
Net profit	927	716	2,117
Minority interest	11	1	—
*Ref dividend	15	16	31
Attributable to Ord.	901	699	2,086

* Excludes inter-company sales £277,000 (£218,000).

Plastics is showing a return towards reasonable profitability with demand on the increase. As anticipated Wheaton Industries Inc., has exercised its option to acquire 25 per cent. of Rockware Plastics.

In June the company acquired 20.4 per cent. of the issued capital of the Irish Glass Bottle Company. Benefits will flow both through the investment and from a technical assistance and training agreement entered into by the Irish company with Rockware International.

Progress towards the sale of the Greenford site to IBM is proceeding satisfactorily. The group has recently been advised that all necessary approvals of the revised planning application have been received and the directors anticipate being able to report completion of the sale.

● comment

Rockware can probably maintain its interim progress for the whole of 1976 pushing profits up to around £3.45m. pre-tax. Margins in the dominant glass division have eased slightly against the opening half of 1975, but the summer heatwave has reversed all the earlier short-time working and sales volume in the third quarter is a tenth or so higher. Against this sort of demand background the groundwork that Rockware put in to improving margins over the past couple of years—a 16 per cent. cut in the workforce, more efficient furnace burning—is being given a chance to show its real worth. At 86p the shares yield a prospective 8.2 per cent.; and if earnings reach 15½p this year the 1976 p/e eases down to 4½.

Increase at Collett Dickenson

FIRST-HALF 1976 profits of advertising agents Collett Dickenson Pearce rose from £220,716 to £12,109 subject to tax of £206,604 compared with £129,119 and the directors say that current trading is good.

The interim dividend is lifted from 1.2668p to 1.3935p net per 10p share. Last year's total was 2.6603p paid from pre-tax profits of £651,987.

● comment

Pre-tax profits of Collett Dickenson, Pearce showed great resilience during the recession and have now recovered sharply as advertising volume has increased. Shareholders are warned that trading patterns have changed and that clients have done more of their business in the first half than is usual. But hopes for a strong performance in the second half as well were encouraged by the reported winning of a further £1m.-worth of advertising from Reckitt and Colman. The maximum prospective yield on the shares at 36p is 13 per cent.

Sanderson Kayser upturn

IN THE first half of 1976, profits of steel and tool manufacturers Sanderson Kayser rose from £372,000 to £455,000 subject to tax of £236,600 compared with £193,440.

The directors state that some improvement in demand was experienced in the period and has been maintained, but there is as yet no evidence of a consistent trend.

The interim dividend is lifted from 1.22p to 1.34p net per 25p share. Last year's total was 3.58p paid from pre-tax profits of £703,519.

● comment

Sanderson Kayser's 22 per cent. rise in pre-tax profits reflects internal rationalisations in products and equipment rather than any significant firming in the steel market. Turnover is apparently up slightly, although increased demand from abroad has been met largely with overseas stocks. At home, the tendency by customers to use manufacturers as their stockists has reduced the lead time between orders and deliveries. But while the stock level has risen somewhat, the group remains clear of debt. With continued cost cutting, some progress over last year's £740,000 pre-tax profits should be in store, as indicated by the increased dividend. But the maximum yield of 12.6 per cent. at 45p looks about right, at least until there are clearer signs of a fundamental shift in the market.

Excalibur sales ahead

CURRENT year sales at Excalibur Jewellery are again showing an increase and chairman Mr. H. Showell believes that 1976-7 results will at least equal last year's.

On September 17 it was reported that turnover for the year to April 30, 1976 was £3.75m. (£3.3m.) and pre-tax profit £0.62m., against £0.69m. after a drop in the second half.

Mr. Kenneth R. Thomson, chairman of The Thomson Organisation, which yesterday reported first-half 1976 profits, before tax, up from £2.8m. to £5.31m. (See Page 23.)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bazaloni Holdings	0.83	—(c)	8.94	9.83	8.94
Booth (Intl. Hldgs.)	int. 1.34†	Dec. 21	1.34	—	3.58
Collett Dickenson	int. 1.4	Nov. 26	1.27	—	2.66
G. R. Dawes	4.03	Jan. 3	—	5.78	5.25
FPA Constr.	int. 0.5	—	Nil	—	Nil
Johnson & Forth Brown	2.95	Jan. 14	2.6	3.85	3.45
Jones Group	int. 0.65	—	0.65	—	2.93
Lawtex	2	—	1.12	2	2.59
Malton Inv.	int. 3	Nov. 15	3	—	8
Mollins	int. 2	Nov. 26	—	(b)	—
P & O Group	int. 2.5	Jan. 4	2.25	—	6.66
Rockware Group	int. 1.32	—	1	—	3.17
Sanderson Kayser	int. 1.34	Jan. 3	1.22	—	3.58
Scot. & Contl. Inv.	0.6	Dec. 3	1	0.6	1
Siemssen Hunter	int. 1.06	Jan. 27	0.97	—	1.94
Thomson Org.	int. 2.08	Jan. 4	1.6	—(a)	4.81
Wilmot Breeden	int. 1	Jan. 4	0.65	—	2.45

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Total 5.29p expected. (b) Total of 6.5p foreshadowed in offer for sale. (c) Payable when funds available from India.

Guinness Peat confident

WITH ONLY just over four months of the current year past, and in view of the many monetary and economic uncertainties prevailing, the chairman of Guinness Peat Group, Lord Kirrin makes no profit forecast.

However, he tells members that the level of activities in the group's areas of operation substantially increased in the last few months of the year to April 30 and has continued to do so during the first few months of 1976-77.

The group is in the process of studying the further expansion of the overseas operation and the Board is looking forward with confidence to future trading results. They also see the prospect of an increasing contribution from the banking side, adds the chairman.

As reported on September 3, disclosed profit attributable after tax for 1975-76 showed an increase of 36 per cent at £3.73m.

The accounts reflect the conversion of the company's loan stock in October, 1975, in that the shares issued have received the full dividend for the last year. The conversion terms also provided for interest to be paid up to September 30, 1975, and there is therefore an additional charge on profits of some £155,000 which will not recur in the current year.

The early conversion of the Loan Stock resulted in a substantial increase in capital and reserves as £9.7m. has been added to the share capital and share premium account.

Meeting, Winchester House E C on October 29 at 10.30 a.m.

A note to the accounts records that the Fenchurch Insurance Holdings subsidiary is committed to pay further consideration, which it is estimated will be substantial, for its shares in an associate. The company in question is believed to be the South African concern North City Brokers, which was acquired with Fenchurch, and in which the group stake is now some 49 per cent.

Another note states that a subsidiary has entered into put and call options in respect of shares which if exercised would involve the payment of £3.75m. In the opinion of the directors, it is added, the aggregate value of such shares is not less than the option price. This item is thought to relate to the options maintained as between the holding company and the bank, Guinness Mahon, concerning the ownership of Greencoat Properties, in which a large stake is held.

Recovery at FPA: pays 0.5p

PROFIT BEFORE tax of FPA Construction Group, of Sheffield, advanced from £160,000 to £207,000 in the first half of 1976 and chairman Mr. B. J. Ward anticipates a continuing recovery in the second half.

Dividends are being resumed with a net interim payment of 0.5p per 25p share. No dividends were paid last year. Profits came to £88,000.

Mr. Ward says the recovery in profits has been achieved in difficult trading conditions throughout the construction industry.

Despite these difficulties, the group has sufficient work on hand to enable the directors to anticipate a continuing recovery in the second half, he tells members.

The group is continuing a policy of reducing its investment in property development and further disposals will be carried out in the second half. This will enable a signicant reduction in borrowings to be made and the group to continue to operate well within its agreed banking facilities, Mr Ward reports.

Prior to the severe cutback in public spending, the contracting division aggressively sought work in the sectors in which it is most successful. The contracts obtained are at somewhat lower margins of profit, but are considered to be particularly valuable in view of the low level of new construction work now available

● comment

On the face of it FPA Construction has recovered well after last year's hefty write offs. No further provisions have been necessary and the second half looks even better. Contracting order books are good, the housebuilding side should contribute around £60,000 for the full year against the first half's £18,000 and property sales for the year are likely to reduce borrowings by £1m. However, this still leaves interest at 56 per cent. of trading profits at last year's levels and these are now under pressure. Contracting margins are down to around 2 per cent. from 3 per cent. and the company has little fat to trim. On top of this, order books for the second half of next year are virtually certain to be reduced. So, although the company has returned to the dividend lists shareholders cannot be confident of maintained growth, and at 9p the market capitalisation is only £712,000.

Midterm upsurge by Booth

IN THE FIRST half of 1976 and skin merchants and [illegible] Booth (International Holdings) more than trebled pre-tax profits from £172,000 to £551,000. [illegible] for all 1975 were £528,000.

The chairman, Mr. G. W. [illegible] says that although trading remains good, it would be [illegible] to forecast second-half results in view of the uncertain economic conditions.

Adjusting for May's one for three rights issue, first half earnings are shown to be up from 2.36p to 8.2p per 25p share. The interim dividend is held at 1p net on the increased capital. Last year's final payment was 2.235p.

	First half 1976 £000	First half 1975 £000
Sales	11,546	[illegible]
Profit before tax*	551	[illegible]
Tax	267	[illegible]
Net profit	284	[illegible]
Extra-ord. debit	—	—
Profit available	284	[illegible]

* After loss £53,543 (£15,723 [illegible]) in respect of associated companies in Northern Ireland.

● comment

The figures coming out of the tannery industry recently including doubled interim profits from Pittard and a 120 per cent. full year rise from Strong and Fisher, certainly paved the way for a good result from Booth. In the event Booth's pre-tax profits show a 220 per cent. jump against the comparable period and a 56 per cent. increase on the preceding six months. Demand has been generally firm both in the U.K. (40 per cent. of sales in 1975) and overseas, despite the weakness in sales to the tanning manufacturers, which in turn are suffering because of cutbacks in imports. Sterling's depreciation is helping where Booth invoice in local currencies, but on the other hand raw material prices are higher resulting in higher working capital demands. However, the £330,000 rights issue last May has offset this problem and full year interest charges are unlikely to be significantly higher. Trading remains good and just a maintained second half indicates £0.9m. for 1976, a figure of £1m. looks more likely. This points to earnings per share of 13.7p on average capital, a prospective p/e of 2.5 and which is below the higher figures for Pittard and Strong

Scottish and Continental

In the year to August 31, 1976, revenue of Scottish and Continental Investment Company fell from £289,994 to £225,427 subject to tax of £105,468 against £118,431.

Earnings are shown to be down from 1.14p to 0.79p per 25p share compared with a forecast [illegible]. The dividend is cut from [illegible] 0.6p net.

Net assets per share [illegible] as 69.4p (71.4p).

Thomson Org. surges to £5.3m. halftime

IMPROVEMENTS in most the main operating groups, half 1976 turnover of Thomson Organisation led by 23 per cent. to n. and profit before tax, ved from £2.9m. to £5.31m, principal increases coming travel and yellow pages. eral business conditions fairly satisfactory and e unforeseen circumstances, rectors expect second half es to at least equal last Losses of The Times con- to be borne by a Thomson company, it is stated.

interim dividend is 2.08p 1.6p) and a similar final nt of 3.21p is expected the maximum permitted

the full year 1975 profit 9.49m.

he North Sea development Piper and Claymore fields nes to progress satisfactorily arring unforeseen circum- s Piper is now expected to nce production in Decem- 76 with Claymore following second quarter of 1977.

ussions are continuing on structive basis with the tment of Energy and BNOC rticipation in the Piper and ore fields.

owing the announcement by epartment of Energy of a r round of North Sea es, Occidental Petroleum ration, Getty Oil Company, Chemical Corporation her with Thomson Scottish ates have submitted an ation for blocks on offer. re is no immediate inten- f exercising the 90 per cent. which The Thomson isation has over TSA's oil sts.

	Half year 1976 £000	1975 £000
er	133,093	99,067
g profit	6,285	3,377
	1,306	1,743
assoc.	275	866
profit	5,307	2,900
	3,065	1,554
	2,242	1,346
r int.	323	93
nce div.	484	484
ole Ord.	1,548	768
div.	886	887

See Lex

BOARD MEETINGS

The following companies have notified dates of Board Meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Allifond, Halstead Group, Bronx Engineering, Bruggeman (Musselburgh), Debenhams, Deepdale and General Trust, John Finlay, Hilbert Footwear, Albert Martin, Morgan Crucible, Austin Reed, Warne Wright and Howland.

Finals: Courtaulds, Pegal, EMI, Grimshawe.

FUTURE DATES

Interims—	
Evered	Oct. 25
External Investment Trust	Oct. 13
Gippeng Consolidated	Oct. 28
Jessel, Toynbee	Oct. 20
Marshall's Universal	Oct. 20
Mothercare	Oct. 18
Transatlantic and General Invs.	Oct. 13
Willey (Geo. M.)	Oct. 11
Finals—	
Construction Holdings	Oct. 29
North Atlantic Securities	Oct. 13
Second Broadmount Trust	Oct 14
Stothert and Pitt	Oct 14

Esperanza sees record results

The directors of Esperanza Trade and Transport are confident that the life of the copper mine will not materially affect the group's growth, states the chairman, Lord Kissin.

There is every expectation that the substantial growth in the international services activities will continue and anticipating increased benefits from copper operations in the current year "we can confidently look forward to record results."

Due to the lower level of copper prices in the year to March 31, 1976, earnings from copper operations decreased by over £1m. but the total pre-tax earnings increased from £2.75m. to £2.92m.

Bearing in mind that only three months' profits of Gellatly Hankey were included in this result the Board is confident that the organic expansion potential of the Group created through this acquisition will express itself in the profit figures over the years to come.

Copper operations remain an important part of the Group's interests. While in future the Group's fortunes will be less vulnerable to the movements of the copper market, the Board anticipates, with the increased level of copper prices in the current year, considerably better results can be expected in the current year.

Net tangible assets have increased by 40 per cent. from 39p to 55p per share.

As at September 7 the Guinness Peat Group owned 20.3 per cent. of the equity and Rothschild Investment Trust 15.1 per cent.

Meeting Winchester House EC, on October 26 at noon.

Midway dip by Jones Group

DUBLIN-BASED mechanical services contractors, The Jones Group reports pre-tax profits down from £546,000 to £522,000 for the first half of 1976 on turnover of £5.36m. compared with £5.06m.

First half earnings are shown at 2.52p (2.64p) and the interim dividend is held at 0.65p net. Last year's total was 2.925p paid from pre-tax profits of £1.18m.

First half tax takes £302,000 (£275,000) and, after adding a minority loss of £31,000 (profit £9,000) the available balance is £251,000 (£262,000).

ROBERTS WILKIE

Roberts Wilkie has changed its name to Cleves Investments.

Johnson & Firth Brown off £2m.

R PROVIDING £0.7m. to pension fund assets into with liabilities, pre-tax profit gineers, Johnson and Firth n declined from £8.29m. to during the year ended 30, 1976. At half-way profit lower at £2.39m., compared £2.89m.

J. M. Clay, chairman, reports the opening months of the nt year have produced lising results.

r 1975-76 basic earnings per share were 4.6p (8.4p) and ed 4.7p (7.4p). The final divi- is 2.9502p net for a 3.8253p (3.4776p), the maximum ved.

March the directors indicated in problems at Wm. Beard- Firth Vickers and Peerless ing. Now, the chairman rts that these problems have largely overcome.

strengthened balance-sheet ts a reduction in gearing from per cent. to 71 per cent.

	1975/76* £000	1974/75 £000
over	177,789	174,422
ing profit	3,765	12,603
al	5,177	7,577
and wire	3,424	3,903
gineering	494	1,035
p. and inv.	993	949
min. costs	475	486
est charges	4,095	4,608
associates	413	—
before tax	4,103	2,294
	2,592	1,259
profit	1,511	1,444
de holders	15	9
ord. profits	131	28
butable	1,344	1,407
div.	591	—
nary	1,310	1,407

ncludes the results for 18 months of reening and Sons. † Includes £250,000 ing to associates (nil).

he balance-sheet of Johnson Nephew (Mill Street), which sold shortly after the year has not been consolidated and the £2.8m. investment in it is included in the group's investments of £8.2m.

Net assets per share are shown at 70p (67p) basic and 74p (76p) diluted. Net current assets amount to £35.59m. (£25.83m.).

Better orders at I. D. & S. Rivlin

In his annual report the chairman of I. D. and S. Rivlin Holdings, Mr. Arthur Rivlin, tells members that any forecast of profits for the current year is difficult in the current trading and economic conditions pending the return of growth in consumer demand.

However forward orders are better than last year, he says, and results for the year should be satisfactory.

As reported on September 28, pre-tax profits came to £316,914 for the 14 months to April 30, 1976, compared with £391,083 for the previous year. The dividend is 2.34p (2.376p) net.

Suspension and delay of shipments from the Far East arising from the introduction and revision of quota restrictions imposed by the U.K. as part of the EEC textile import restraint policy, have had the effect of disrupting the normal flow of imported merchandise in the last quarter of 1975 and in the first quarter of 1976. This has had a detrimental effect on profits of the importing and wholesale divisions of the group.

It is anticipated that these difficulties have largely been overcome. New sources of supply have been found and former suppliers have adjusted to the new conditions and re-established the normal flow of shipments.

The retail division of the group has continued to trade satisfactorily despite the very difficult trading conditions which have been experienced generally.

The group operates as importers, wholesalers and retail distributors of clothing and textiles. As at September 15 Roche Securities held 24.5 per cent. of the equity and ITC Pension Trust with ITC Pension Investments held 13.9 per cent.

Meeting, Winchester House, E.C., on October 29 at 2 p.m.

J. Hyman tops £0.1m. midway

Excluding the associate, whose figures are not yet available, pre-tax profit of I. and J. Hyman advanced from £82,757 to £100,835 in the first half of 1976.

And Mr. P. Buckley, chairman, expects results for the year to show a satisfactory increase over last year's £339,319.

Stated earnings per 5p share are 0.51p (0.48p) for the first half.

Expansion of the group's activities continues and there are various proposals under consideration at the present time, it is stated.

The company converts plastic foam and makes industrial cleaning cloths.

	First half 1976 £	1975 £
Turnover	1,853,798	1,717,478
Pre-tax profit	100,835	82,757
Taxation	52,500	43,167
Attributable	48,337	38,659

Senior Eng.

In yesterday's comment on Senior Engineering Group, the company's excellent growth record in earnings per share was wrongly described as "lacklustre." In fact earnings per share over the past 10 years have risen by more than five times.

Freddie Mansfield

Lord Inchcape, chairman of P & O.

P & O tops £13m. after six months

WITH IMPROVED performances by the passenger and European and air transport divisions, pre-tax profit of the Peninsular and Oriental Steam Navigation Company was £13,297,000 for the six months to June 30, 1976. Gross external revenue was £338,373,000.

Earnings per £1 of deferred stock are shown at 6.5p and the interim dividend is 2.5p, absorbing £3.53m., compared with a first interim of 2.25p, absorbing £3.18m., for the previous first six months.

The pre-tax profit is in line with the view expressed by chairman Lord Inchcape in his annual statement on May 13 that 1976 would see a reversal of the declining profit trend of the past 15 months, the directors state.

They point out that the present six months results, because of the change in the accounting date from September 30 to December 31, cannot be compared with those for the 15 months to December 31, 1975, when profits were £14.12m.

Bulk shipping contributed £3.5m. to pre-interest profits, general cargo £15m., passenger £0.2m., European and air transport £0.7m., general holdings £2.3m., energy £0.6m., Bovis £2.6m., P. and O. Property £2.2m., and banking £0.3m. loss.

	First half 1976 £000
External gross revenue	338,373
Operating profit*	19,574
Share associates	7,220
Profit before interest	26,794
Investment income	2,101
Interest payable	15,598
Profit before tax	13,297
U.K. tax†	2,113
Overseas tax	1,333
Associates' tax	1,891
Net profit	7,961
Minority loss	1,221
Extra-ord. credits‡	4,215
Attributable	10,397
Preferred div.	89
Deferred interim div.	3,532
Retained	11,806

* After depreciation £17.77m. and including profit on sales of ships £506,000. † Consists of ACT on preferred stock dividends paid and accrued and on deferred stock interim, and tax credits on franked income. No liability to mainstream tax arises, and no account is taken of deferred taxation. ‡ include net surplus of £6.7m. on currency conversions.

See Lex

T & C reverses decision to liquidate

The Board of Town and Commercial Properties, a group with more than £100m. of borrowings, has reversed its intention, announced last month, to petition compulsory liquidation. A letter sent yesterday to loan stock holders states that having been offered further funds by its creditors, Tow nand Commercial has resumed negotiations with the Inland Revenue for repaying a £1m. tax bill.

It was the Inland Revenue's refusal to accept an offer of £400,000 "in a short time" which was given by Town and Commercial as the reason for stating that it would petition for winding up. It is thought that the group is now prepared to offer the Inland Revenue a much larger figure—closer to £750,000.

Mr. John Hines, chairman, said that talks with the Inland Revenue were proceeding "harmoniously and without outside pressure or intervention." At the same time, negotiations are also continuing with Higgs and Hill Group over payment for construction work on a Jamaican development.

In its interim results published this week, Higgs and Hill made provision for £500,000 of doubtful debt arising from this contract. Mr. Hines said that while Town and Commercial accepted that stage payments of around £750,000 were due, it also had "a valid counter-claim" against the construction group for part of what Higgs and Hill was claiming.

While these talks continue (Mr. Hines said he expected a settlement one way or other with the Revenue by the end of next week) holders of Town and Commercial loan stocks are being asked further to postpone their decision on accepting moratorium proposals.

When the group announced that it could not pay interest on its loan stock due in June, holders agreed not to take proceedings provided a full moratorium plan, based on rolling up interest due until the end of 1978, was put to them by the end of September.

This moratorium could not be proposed, however, until Town and Commercial had the agreement of its main 22 secured creditors in Britain. So loan stock holders are now being asked, at an extraordinary meeting on October 29, not to take action for repayment before December 31, by which time the company will, "if appropriate," finalise moratorium proposals.

Loan stock holders are told that the Board, along with its professional advisers, "has been examining very carefully the manner of meeting the requirements of the Inland Revenue and the overall position of the group in the context of a moratorium.

"Whether the Board will be able to continue with and recommend the moratorium proposals, rather than proceeding with steps for the liquidation of Town and Commercial Properties, will depend on the outcome of this examination."

Mr. Hines said that the chance to make fresh proposals to the Inland Revenue, thus staving off liquidation, had arisen when five creditors offered further funds. There were "no writs" outstanding against the company, and every subscriber to the creditors' moratorium was still happy with the proposals in principle.

Shares in Town and Commercial were suspended on September 3 when standing at 4½p and its loan stock at 28¼ per cent.

118 companies wound up

Orders for the compulsory winding up of 118 companies have been made by Mr. Justice Slade in the High Court.

They were: Gerhart, Carlcombe, Bridgend Electrical Installations, Highbury Heatset Web, Glover Printing, Finchley Car Craft, Robert Peck and Associates.

Borswin, Fitzvale Coins, Nigel Wait, Selected Savings Plans (U.K.), Stroma Game Birds, Beechgrange Properties, Air Swift.

John Lee Construction, CDI Holdings, Fearn and Hale Investments, Inter-70 Films, Birchley Investments, Rayden (Hardware), Clyde (Cambridge), Glawhurst, Leegill Furnishings, Heale Estates, Madewell Clothes, Beaver Bowling, N. Scarborough and Co.

Abaque, Tyne Timber and Veneers, Ashdown Artists, First In Gear (Car Accessories), Inglesham Shipping and Forwarding, Floral Imports (London), Technistudy.

Ivan H. Carter, Titanic Leathers, B. A. Vivian, B and D International Soul Club, Hermitage Motors, Gillcastle, Heat Air Control, Brookrac Investments.

Hoyland Properties, Technical Security, R. A. Stockinger and Partners, Plandec (Interior Construction Services), Double Christie, West One Decor, Larochgates, C. Smith and Sons (Thanet).

Pasavale, Lazouch Contractors, Bristol and Western Shipping Company, Container Trucking Company, Poor Millionaire, Paul-Jay (Cabinets), Bournes (Confectioners).

Keith Joseph Properties, Telindex, Strexaglen Transport, W. F. Whitlock and Sons, Ravoc, Ballinasloe Construction, G.C.M. Construction, (Blackpool).

Kitromilides Brothers, Laurier (at St. Pauls), Longomontanus, Zebra Photographic, Rochford and Rayleigh Builders, Fasta Roofing and Plumbing Contractors, Panorama Developments (Guildford).

Omerford Engineering, Kosos Computing Services, B and C Construction Company, Blatforge Construction Company, Merlmain Construction, Yatale.

Warley International Erection Services, Justin Grant, Cambridge Taylor Investments, Hi-Pro (Machine Tool), Armanda, Tudoreach Securities, Dalbert Prichard, A.V.K. Productions.

Findjan Holdings, Compton Steels, Jedshourne, Gradon Developments, Kerka, Griggs Lake, Euroweld.

M. Wright Transport, C. and G. Florentine Enterprises, Grierson and Shears Supplies, Araleun Company, Neltshire, Normandie Dredging and Shipping Company, Anguste Photographics.

Zonemanor Engineering and Electrical Contractors, Cavendon Property Holdings, E.C.U. Holmes, Allenby Services (Security), Laura Craig, Bowburn Trade Services.

Ellis Son and Hitchman, Webster Antiques, Keith E. Wratten, Alan Mead Lithoplates, Dectern, S.L.K. Engineering Company.

Mall Developments, Coltman Plastics, Trailerwise, Brictec Finance, St. Malo Construction, Ernest C. Martin (Plumbers), Ad Argent.

Smith Bros. criticises Talisman

AGAINST THE background of reduced stock market trading, a cautious view of the present outlook is expressed in the annual statement by Mr. Anthony Lewis, chairman of Smith Bros., one of the two London stock-jobbing concerns whose own shares are quoted.

"Unfortunately, the current year to date has seen equity year to date has seen equity trading at an historically low level, and, without an increase in market volume, it is difficult to be optimistic on current prospects," he tells shareholders. He adds, however, that, despite the tighter dealing conditions in overseas stocks this year, trade has continued to be profitable in that area.

Mr. Lewis voices marked doubts about the cost which is falling on his company through charges from the preliminary, bargain accounting, stage of the Stock Exchange's big computerised settlement project, Talisman, which has attracted increased controversy lately.

"This year your company will be faced with a considerable bill from the Stock Exchange in connection with the interim development stage towards a fully computerised settlement system (Talisman) and this is causing us serious concern," he says. But ????? are not expected to rise significantly this year.

The report and accounts show that a number of directors have sold shares from their holdings over the past 18 months. Mr. Lewis's holding, of 239,164 shares at May 1, 1975, was down to 144,164 by September 9, 1976, while over the same period the holding of Mr. Geoffrey Lederman, deputy chairman, declined from 232,851 to 167,851 and of Mr. David Heath from 336,444 to 300,000.

Mr. Lewis said last night: "The directors have gradually sold shares over the last few years, purely for financial reasons."

G. R. Dawes steady at £1.68m.

After £0.66m. (£0.8m.) at half-way, pre-tax profit of G. R. Dawes Holdings was similar at £1.68m. for the year to March 31, 1976, compared with £1.64m. Turnover was £8.55m. against £8.69m. The figures exclude G. R. Dawes and Co. Bankers.

Stated earnings are 30.93p (30.3p) and 14.77p (15.1p) after tax. Final dividend is 4.025p net for a total of 5.775p (5.25p), the maximum allowed.

	1975-76* £000	1974-75* £000
Turnover	8,553	8,694
Trading profit	1,801	1,332
Share associate	336	414
Minorities	184	125
Pre-tax profit	1,973	1,641
Tax†	875	823
Extraordinary debits	227	368
Attributable	573	550
Retained	261	299

* Excluding G. R. Dawes and Co. Bankers. ‡ After £97,000 (£88,000) attributable to minorities.

RONKSLEY INVESTMENTS

Ronksley Investments, currently the subject of three separate takeover offers, has asked Arthur Lee and Sons if it still wishes to make an offer for the company, and until this is established and the rival offers from Martin-Black and Capper Neill have been considered it urges shareholders to take no action whatsoever.

Arthur Lee has made an offer of 4½p a share for Ronksley after a 4p bid was made by Martin-Black. Martin-Black increased its bid to 4½p but subsequently Capper-Neill stepped in with a 5½p offer.

Ronksley shares two Board directors with Arthur Lee which holds just under 5 per cent. of its capital. The Lee family is thought to control about 30 per cent. of the shares. Both Martin-Black and Capper Neill presently hold only nominal amounts of Ronksley shares.

Suzuki (G.B.) acquisition boosts Heron Corpn.

THE ACQUISITION of Suzuki (G.B.) together with expansion of existing activities increased turnover of Heron Corporation from £139m. to £182m., in the year to March 31, 1976, and from this pre-tax profits rose 20 per cent. from £4m. to £4.8m.

The group has maintained its high degree of liquidity and at the year-end there were cash balances in excess of £11m. together with considerable unused banking facilities. Gross property assets at March 31 were £109.5m. and the directors are of the opinion that the overall value of these assets was in excess of book value. They have commissioned a professional valuation of the whole of the U.K. completed investment property portfolio and the surplus arising will be incorporated in next year's accounts.

It continues to be the directors policy to consolidate the existing property investment portfolio and only to embark on new schemes where these satisfy selective criteria. As part of this policy property assets have been reviewed and several properties of limited growth potential have been disposed of. Disposals both during the year under review and since the year-end have realised some £20m., this figure being in excess of balance sheet value.

	1975-76 £000	1974-75 £000
Turnover	182,002	139,095
Trading profits	8,190	6,580
Investment income	4,028	2,794
Interest	7,416	5,587
Profit before tax	4,802	4,007
Company	2,561	1,152
Subsidiary	2,547	2,574
Associates	*306	19
Taxation	2,968	2,472
Net profit	1,836	1,535
Capital surpluses	414	404
Minorities	158	243
Retained	2,092	1,676

* Loss.

Chief executive, Mr. G. M. Ronson, says that the directors shall continue to look for new opportunities in the trading sphere in activities where they are able to use the considerable expertise built up by the management team.

They are proposing, subject to approval, to increase the nominal capital of the company from £1m. to £10m. with the intention in due course, of paying up the increased capital by way of capitalisation of reserves and a bonus share issue. Resulting from this, the paid up share capital will then be a better reflection of the true net worth of the company than at present.

The expansion of the petrol *retailing division continued and* during the year the company opened 22 new self service petrol stations and is now operating at 190 locations. The directors are aiming to open 20 new service stations in areas of high population during the current year.

Despite the high price of *petrol, the motor car remains an* economically competitive form of transport and the directors look forward to a further increase in sales and profits during the current year.

Heron Motor Group, the 75 per cent. owned quoted subsidiary, increased its overall trading profit by 35 per cent. over the *previous year in spite of con*tinuing difficult conditions in the distribution sector of the motor industry. Although still primarily involved in the sale of new vehicles, the company has expanded its activities in used-car trading and has started a truck and van rental business in order to take advantage of good trading *conditions* in these particular areas.

On motorcycle distribution, Mr. P. James Agg reports that the motorcycle market has substantially expanded and this, coupled with increased market penetration, has had the effect of more than doubling the number of machines sold during the year. *Heron Suzuki (GB)'s share of* the market has risen to approximately 23 per cent. making it the second largest distributor of motorcycles in the U.K.

Sales for the current year are ahead of last year and in spite of pressure on margins caused by further depreciation of sterling the directors of this division *are looking for satisfactory* trading results for the current year.

Meeting, The White House, N.W., on October 29 at noon.

Molins up by 20% half-term

A 13 PER CENT. increase in turnover to £43.2m. is announced by Molins for the first half of 1976 and pre-tax profit was £4.1m., up by 20 per cent.

The directors see no reason to change their forecast that profit for the year will be of the order of £9m., compared with £8.1m. in 1975.

As predicted in the prospectus the interim dividend is 2p per share, absorbing £586,000. A total of 6.5p has been foreshadowed.

In the tobacco machinery division, both turnover and trading profit improved. In paper and packaging machinery, trading profit was slightly lower, although some recovery is expected in the second half. The overseas companies have, overall, improved their results.

	Half year 1976 £000	1975 £000	Year 1975 £000
Turnover	43,200	38,200	82,113
Trading profit	5,062	4,171	9,812
Interest	962	764	1,709
Profit before tax	4,100	3,409	8,103
U.K. tax	1,683	853	1,733
Overseas	824	927	2,122
Net profit	2,091	1,629	4,246
Minorities	35	36	62
Preference divi.	19	19	38
Attributable Ord.	2,047	1,774	4,146

Bazaloni falls to £297,123

Profits of Bazaloni Holdings fell from £360,558 to £297,123 in 1975, before tax of £230,889 (£174,469).

The proposed dividend is 9.83p net, compared with 8.937p, and *will be paid when adequate funds* are received from India.

MINING NEWS

British Columbia faces two crucial years

BY PAUL CHEESERIGHT

THE FUTURE of mining in *British Columbia throughout the* 1980s will be determined by provincial Government policies and the labour climate established over the next two years, according to Mr. R. E. Hallbauer, vice-president of Teck Corporation, the Canadian mining, oil and finance group.

Speaking to a meeting of *engineers, Mr. Hallbauer said that* the present provincial Government had made major changes in mining taxation and although many people thought the changes were inadequate, the new system "is a major improvement on the old, where some mines were being taxed at a 95 per cent. rate."

The new basis of mining taxation at provincial level is the Mineral Resources Tax, passed last June, but taking effect at the beginning of the year. The industry's major source of disquiet, a royalty on sales without regard to costs of production was removed. Although the royalty is being paid this year, one third of it will be returned next year *in the form of deductions from* the Mineral Resources Tax.

The new tax levies 17.5 per cent. on profits and replaces the former Mining Tax which levied 15 per cent. But the inability of the mining companies to offset provincial taxes against federal tax demands remains.

In a bitter complaint about *labour relations, Mr. Hallbauer* calculated that at Teck's Afton mine four times as much time had been lost on construction work than had been lost on the total construction time at two other properties in Newfoundland and Quebec. Teck is currently bringing the copper-gold-silver prospect at Afton to production.

Mr. Hallbauer argued that a thriving mining industry must have the co-operation of the Government. But problems of red tape are enormous and every time one permit is issued it is conditional on the approval of another department or the grant of another permit.

Meanwhile in the south east of *the Province, Canada's Home* Oil and its subsidiary, Scurry-Rainbow Oil, have reached agreement with the European consortium, Elco Mining and Steel Company of Canada for the development of the Elk River metallurgical coal deposits.

Following a re-arrangement of interests, Home Oil holds 15 per cent., Scurry-Rainbow 10 per cent., Steel Company 25 per cent. and Elco 50 per cent. Managers of the project will be Elco, which is owned by August-Thyssen, Hoesch, Mannesmann, Peine and Salzgitter, Ruhrkohle and Finsider.

A decision on commercial development of a $300m. (£184.48m.) mine with an annual production of 4m. tons will be made early in 1978. Meanwhile there will be preliminary planning and a feasibility study, costing $11m. (£6.77m.). Proven and probable reserves are put at more than 500m. tons.

A Canadian comment on investment

MR. WILSON BARBOUR, the assistant treasurer at Canada's Noranda Mines, has chanced his arm with a few investment forecasts for the next year. He told the Toronto Society of Financial Analysts that base metal prices will rise, but he added a caution.

"Except for uranium, I know of no major new base metal mining property to-day that is more than marginal, based on current price projections, and of none under active development," he said.

With a word of goodwill for the gold miners, he anticipated a bullion price of about $135 an ounce. At this price fabrication demand and investment purchases would absorb declining new mine production, plus, as he put it, "better managed IMF sales."

Turning to equities, Mr. Barbour favoured Canada's Cominco; the U.S.-based Texasgulf, which in Ontario has "the wonderful Kidd Creek orebody" to generate profits and expectations; and Canada's Hudson Bay Mining and Smelting, whose investment in Inspiration Copper of the U.S. "should begin to pay off."

Mr. Barbour's U.S. favourite was Asarco, which has a wide range of mineral interests, but he had a good word to say for London's Selection Trust. He said the latter group "is sold right out to the market value of its investment holdings of Amax, giving a well-run successful mine exploration and development company for nothing."

SPARGO'S AT TEUTONIC BORE

Another exploring hopeful to join the current prospecting rush in the belt of country surrounding Western Australia's Teutonic Bore is Spargo's Exploration, an apparently indestructible outfit which has shown that it can brush aside disappointments and press on in true prospecting spirit.

Replying to a Perth Stock Exchange query regarding the recent jump in the price of Spargo's shares from 10 cents to 25 cents (18.5p) the company has stated that it has issued 120,000 shares at 17 cents to Bembola Proprietary in order to raise capital for claim pegging 10 miles west of Duketon, some 70 miles north-east of Teutonic Bore, reports our Perth correspondent. Prospecting is being carried out jointly with Otter Exploration.

The excitement surrounding Teutonic Bore has been triggered off by the recent copper-zinc find made by the Selection Trust-MIM Holdings partnership. The usual rumours prevail about the discovery which has yet to lead to a mining operation.

But it is thought to provide support for the theory that Western Australia's acid volcanic environment will contain orebodies, especially as the Amax-EZ Golden Grove copper-zinc discovery to the west is in a broadly similar geological environment.

ROUND-UP

In line with the buoyant world market for diamonds, Israel's exports of polished gems reached a record total of $499.6m. (£304m.) in the first nine months of this year, an increase of nearly 25 per cent. on the figure for the same period of 1975. Diamond exports in September amounted to $71.5m.

* * *

America's Asarco and the Price subsidiary of Canada's Abitibi Paper have announced a 25-year agreement extending their joint venture zinc-lead-copper-silver operations at Buchans in Newfoundland. Production started in 1928 and present ore reserves are reckoned to be adequate "for a few more years, depending on metal prices."

* * *

Australia's Triako Mines reports a consolidated operating loss for the year to June 30 of $292,000 (£216,000) compared with a profit of $6,000 in the previous 12 months. Triako and Buka Minerals each have a 20.5 per cent. stake *with America's Kennecott holding* the remaining 39 per cent. in the big Yandera copper prospect in Papua New Guinea.

MINING BRIEFS

HONG KONG TIN—September tin output: 0.9 tonnes (August nil).

KILLINGHALL TIN—September output 73½ tonnes (August 56 tonnes).

PAHANG CONSOLIDATED—September production of lode tin concentrates, 137 tonnes (August 173 tonnes).

RAHMAN HYDRAULICS—September tin output 49 tonnes (August 62 tonnes).

ST. PIRAN—September output: U.K. 129 tonnes (August 103 tonnes), Malaysia 10 tonnes (22 tonnes).

BIDS AND DEALS

Bowater sells banking interest to B & C Shipping

The Bowater Corporation has sold its 50 per cent. holding in St. Mary Axe Holdings, its jointly owned associate company for banking and investment management interests, to British and *Commonwealth Shipping and* Cayzer interests, which held the remaining 50 per cent., for an undisclosed sum.

St. Mary Axe Holdings was formed in 1974 with an issued capital of £7.5m. and loan capital of £2.5m. and holds 100 per cent. of bankers Cayzer, Bowater.

Mr. Ian Tegner, finance director *of Bowater, said yesterday that* "we have decided, following a clarification of our policies, that we do not want to develop in banking and it is better for SMAH to develop within B and C." Although declining to disclose the amount received for Bowater's holding, Mr. Tegner said it represents "a substantial chunk of cash." He added that "*we haven't* made a loss on the transaction and SMAH has always made a profit."

The substantial losses sustained by Bowater in its finance division in 1974 and to a lesser extent in 1975 stemmed from sharedealing companies within the Bowater Corporation and did not involve SMAH.

The respective interests of Bowater and B and C in insurance broking, through Cayzer Steel Bowater, are unaffected by the sale.

UNION GOES TO OFT OVER BABCOCK BID

Union representatives of the workers of crane manufacturer Herbert Morris are expected to meet the Office of Fair Trading on Friday to argue against the proposed offer for the company by Babcock and Wilcox. A decision from the OFT on whether the bid should be referred to the Monopolies Commission is not expected in under a fortnight.

Meanwhile, Babcock was yesterday still considering the implications of the Temporary Restraining Order granted against it by a U.S. Court on Tuesday which prevents the company proceeding with its contested offer. Babcock has until October 15 to prepare *its case for the U.S. Court which* will then decide whether the injunction stands.

Babcock is also considering whether to change its financial advisers following an injunction in the U.K. against Mr. Charles Ball, chairman of Barclays Merchant Bank. A statement is expected to-day.

Babcock shares ended 3p lower last night at 61p, with Morris 4p down at 118p.

W. CANNING PURCHASE

W. Canning has acquired Water Management of Kidderminster from Hercules the U.S. Chemical group for an initial payment of £110,000 representing the net assets acquired, to be followed by a payment of 20 per cent. of the profits before tax above £23,000 for each of the next three years. For the nine months to August 31, 1976, the audited net profits before tax of Water Management amounted to £50,000.

HESTAIR PLACING ALLOWS BIG DIVIDEND RISE

HESTAIR have acquired 14.9 per cent. of Timestock Investment Group from Bankers Trust International for £947,000 and in the course of this have gained Treasury consent to a near two-thirds increase in dividend payments for 1976/77.

The consideration has been financed by a 1.3m. share placing and a cash payment of 43,000. The shares placed rank for the 1.76p interim dividend already announced, but in the context of the placing the Treasury has allowed Hestair to pay a final dividend of 3.85p net, to give a total of 5.61p net against 3.40p net in the previous year.

The net asset value of the 14.9 per cent. holding in the Timestock amounted to £324,000 at January 31 and the attributable profit before tax was £156,000.

In addition to the current purchase, which brings Hestair's holding in Timestock to 90.1 per cent., the company has agreed to buy the outstanding 9.9 per cent. from BTI for £466,000 in equal instalments in February of 1977 and 1978.

This latter 9.9 per cent. holding was subject to an option whereby BTI could require Hestair to purchase it for £741,000 on or after November 13 1978 with dividends payable of £104,000 gross a year meanwhile. *Dividends* were also payable at the rate of £126,000 gross a year on the remaining 14.9 per cent. holding.

The option agreements were secured by charges in a debenture in favour of BTI, which also secured a £2m. loan repayable in November 1976.

The current agreement (to*gether with the repayment of the* loan) frees Hestair from the BTI debenture and enables new medium term facilities to be arranged. The rate of dividend to be paid on the remaining 9.9 per cent. of Timestock will be approximately hived pro rata to £40,000 gross a year and further reduced in February 1977.

Hestair also announced yesterday that Timestock has sold Mulder en Zoon BV for F.Fl.4.58m. (£1.1m.) in cash which has been applied in repayment of a guilder loan.

The net assets of Mulder consolidated in Timestock's accounts at January 31 were £1.84m. and the pre-tax profit £24,000. The *effect of the disposed is to elimin*ate about £1.5m. of borrowing and to remove a cumbrigent liability of £650,000 on investment currency.

● comment

Although Hestair had £2.2m. of usable cash in its last balance sheet, that was committed to the seasonal build-up of stocks. By issuing shares at a time when interest rates have moved up sharply, the company has got permission to more than double the final dividend, so increasing the maximum yield from 7 per cent. to 12 per cent. at 72p. The penalty of earnings dilution is surprisingly small, with a drop of 0.3p in prospective earnings per share to 15.5p, fully taxed. As for the balance sheet, the disposal of Mulder and Zoon will *reduce net debt by £1.5m. to £1m.* (with the debt falling to perhaps 15 per cent. of shareholder funds by the year-end), while the clearance of the BTI debenture will help provide new back facilities of perhaps £3m.

MANBRE NOW RECOMMENDS TATE OFFER

The Board of Manbré and Garton has now officially conceded defeat in its fight to resist the takeover by Tate and Lyle and is now recommending the 200p per share cash offer. Tate finally gained a controlling shareholding of 55 per cent. in September after a struggle that lasted for two months.

The Manbré Board's main argument against the bid has been that insufficient assurances have been given by Tate regarding Manbré employees in the proposed rationalisation of the U.K. cane sugar refining industry.

Precise assurances have now been given by Tate, which is the reason for Manbré's recommendation. Manbré has been assured that its employees will receive no less favourable treatment than Tate employees; that there will be no refinery closures before the end of September, 1977; that any Manbré suggestions for the rationalisation will be implemented, provided they are financially viable; that Manbré's starch, malting and caramel operations will be continued without closures or redundancies; and that anyone affected by redundancies will be notified by March, 1977. All *existing pension arrangements* are also to be honoured.

The Manbré document reaffirms the earlier forecast that pre-tax profits will reach £13m. in the financial year ending October 1, 1977.

G. W. SPARROW IN $5M. CRANE DEAL WITH MCDONOUGH

G. W. Sparrow and Sons has reached a $5m. agreement with McDonough Company of the U.S. to acquire its fleet of heavy crawler cranes and lifting equipment, and the associated existing *rental contracts, as well as the* right to continue to use the name Universal Equipment Rental Company of Houston, Texas.

In the directors' opinion, the market value of the cranes and lifting equipment acquired is over $6m. The purchase price, paid in cash, was raised by means of a 6½-year hire purchase facility from Citicorp Leasing Inc.

ASSOCIATE DEAL

Hoare Govett on October 6 purchased 10,000 Herbert Morris Ordinary shares at 123p on behalf of an associate of Morris.

Overseas growth prospects at BMK

ALTHOUGH PROSPECTS continue to be uncertain, particularly in the U.K., carpet manufacturers Blackwood Morton and Sons (Holdings) anticipates more success overseas where there is evidence of increasing demand, states the chairman, Mr. K. M. Hamilton.

Every effort is being made to increase sales, he tells holders in *his annual statement.*

The absence of reasonable profitability limits plans for expansion and capital expenditure has to be restricted until cash flow improves and there are better prospects for earning a proper rate of return on investment—because of unused capacity, modernisation and improvements in efficiency will be more important than expansion for some time, he adds.

As known, pre-tax profit for the year to June 30, 1976, was £0.89m., compared with a loss of £0.44m. as reported for 1974-75 and a £0.29m. loss restated to conform to standard accounting practice.

There was a reduction in interest charges from £0.45m. to £0.27m. but from now on the overdraft, which rose by £0.85m. to £3.21m. in 1975-76, is likely to increase as additional working capital is required to finance higher costs of stocks and debtors, the chairman says.

In Canada, the subsidiary had a difficult year and made a small loss, but since March 31 there *has been some improvement.* The Australian subsidiary incurred a small loss, but the first quarter of the current year has been profitable and the improvement should continue in the absence of import restrictions.

Overseas, there was some upturn in demand and exports at £3.5m. were higher by 25 per cent. It is hoped that this trend will continue although the economic recovery in the U.S. and EEC has been slower than anticipated.

Meeting, Kilmarnock, November 1, noon.

Malton Investment

Malton Investment Trust reports net revenue for the half-year to August 31, 1976 of £44,836 (£48,416) after tax of £31,845 (£34,845). Earnings per £1 share are 4.48p (4.84p).

The interim dividend is again 3p—the 1975-76 total was 8p.

Net asset value per share was 386p (335p).

Up to the end of February, 1976, the company's holding in LSMO and Scot Ordinary shares had been valued at cost for calculating net asset valuations. At the end of May, 1976 valuations of these holdings were made at prices at which these shares had recently changed hands. This method has been adopted for valuation at August 31, 1976.

Siemssen Hunter advance

CIGAR, CIGARETTE and tobacco importers, etc. Siemssen Hunter reports a rise in pre-tax from £133,327 to £234,991 for the first half of 1976, and the chairman, Mr. Roy Siemssen says that despite the recent increase in interest charges, full year profits should be more than £0.5m. compared with £0.42m. for 1975.

The interim dividend is raised from 0.96638p to 1.06324p net absorbing £44,220, and a maximum permitted final is anticipated. Last year's final was 0.97598p.

	First half 1976 £	1975 £
Group turnover	5,883,149	9,069,382
Trading profit	255,615	133,377
Share assoc. loss	20,624	—
Profit before tax	234,991	133,327
Tax	127,808	69,330
Net profit	107,183	63,997
Minority interests	—	1,251
Extra-ord. credit	—	—
Attributable	107,183	62,746

The reduction in turnover reflects the disposal of the controlling interest in the tobacco leaf merchanting division, Siemssen, Threshie and Co.

Sales of Havana cigars and other tobacco products are running ahead of last year and there has been a considerable improvement in the educational and specialist publishing activities, which has given rise to a less seasonal pattern in terms of overall profitability, members are told.

WIGGINS CONSTRUCT.

At the annual meeting of Wiggins Construct, chairman Mr. Cyril C. Wiggins told shareholders that he had no fears for the current year having regard to present circumstances and trends in the company's business. "Our workload is the greatest ever."

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	£10½	£10	AmericanMedInt.Inc($1)	£10	+½	Q14c	—	1.4	—
—	F.P.	—	£39	£37¼	Berry Pacific Fd. US$1	£39	+1	40c	—	0.7	—
60p	F.P.	17/9	71	62	Borthwick (Thos.) 60p	62	−1	65.5	2.0	15.8	5.6
—	F.P.	—	£20¼	£20¼	Dentsply Int. Inc. ($1)	£20¼	+¼	—	—	—	—
—	F.P.	—	£31¼	£31¼	Esmark $US1	£39	+½	Q61.52	—	3.9	—
—	F.P.	—	158	96	Totex S.A. 1l	150	—	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
‡‡	F.P.	—	108¼	101½	Dentsply 9% £1½ Conv. Uns. Loan 1991/96	102	−½
£98.5	£10	29/10	99	98½	Eastbourne Waterworks 9% Red. Pref. '52	99	—
US$98	F.P.	—	98¼	98¼	Gotaverken 8½% Notes 1985	$98¼	—
US$100	F.P.	—	LF 98¼	LF 98¼	Ind. Fund of Finland 9% Guar. Notes '84	LF 98¼	—
††£94	£10	4/2	11½	11½	Mid-Sussex Water 8% Red. Pref. 1981	11½	—
£97	F.P.	28/10	98½	98½	Mid-Sussex Water 14% Red. Deb. 1982	98½	—
£99	£25	19/11	25¾	25¾	York Water 15% Red. Deb. 1984	25¾	—

"RIGHTS" OFFERS

Issued Price p***	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p***	+ or −
10	Nil	15/10	8/11	31½	22	Armstrong Equipment	22pm	−1
§A5.50	Nil	6/11	—	190	145	Bank N.S. Wales	145pm	−5
115	Nil	18/10	18/11	23	6	Black & Edgington	6pm	−2
10	F.P.	27/9	11/11	11	6	Bonas Webb	6	+1
§A4	Nil	—	3/12	365	345	Broken Hill Prop.	365pm	−15
60	Nil	—	—	6	5	Brown (Matthew)	5pm	−1
47	F.P.	24/9	5/11	52	28½	Buckleys Brew.	51	—
§A1.75	Nil	29/10	18/11	120	75	Comm. Bk. Aust.	75	−1
25	Nil	—	—	5	2½	Fairbairn Lawson	2½pm	−1
40	Nil	10/12	—	27	25	Lonrho	25pm	—
30	F.P.	28/9	15/10	45½	38½	Nolton Estates	40	—
25	F.P.	1/10	2/11	30	24	P.M.A.	24	−1
24	Nil	1/6	8/10	28	24	Second City Prop.	25	−1
20	Nil	8/10	19/11	8¾	6	Shakespeare (J.)	25½pm	+2½
§A1.20	F.P.	15/9	—	141	88	Western Mining	104	−1
5	F.P.	24/9	15/10	8	6¾	Whatlings	6¾	−¼
70c	F.P.	—	—	94	—	Woodside-Burmah	90	—

Renunciation date usually last day for dealing free of stamp duty. *a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. s Forecast dividend: cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976. Q Gross. t Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✻ Offered-to-holders of Ordinary shares as a "rights." ❋ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants. ◆ After suspension.

BOOKS

...traight bat

BY C. P. SNOW

...ay The Wind Blows by ... Home. Collins. £4.95. 320 ...

... Home's memoirs (on the ...ge the book is called an ...graphy, but it is not quite ...re more agreeable, and in ...ued way more fun, than ...of most politicians. To ...with, they are serenely ... Envious persons might ...t he has a good deal to be ...about. Born heir to one ...loftiest Scotch titles. Born ... wealth. He remarks in ...hand manner that the ... was "well off." There is ...than a touch of Whig ...ess about that. It reminds ...his ancestor Lord Durham ...ing that a man could jog ...(this in the 1830's) on ...a year.

...vital, though, Lord Home ...rn with a kind of unpre...a natural confidence. He ...get on easily with most ...he didn't doubt that what ...men could do, so could he. ...t his decisions were likely ...more sensible than most. ...ldhood was happy, and his ...ge brought him another ...of harmonious family life. ...lked into politics in his ...enties almost as naturally ...fortlessly as the Duke of ...n's son or one of his own ...rs (though in fact the ... were not a political ...), and soon became the ...uentary Private Secretary ... Prime Minister, Neville ...erlain. The way ahead ...ed ineffably smooth.

...rned out not to be ineffably ...a. War came, and when ...erlain fell Home (who ...me was known as Lord ...ss) tried to soldier. He ...ejected twice by medical ..., and was finally told that ... tuberculosis of the spine. ...recovered at all, this would ... two years of complete ...ility, that is on his back, ...ic as in the old fashioned ...ent after an eye operation. ...s dubious whether in ... suffering improves or ...s a character. In a good ...cases, it does the opposite. ...h, though, it did deepen ...prove. He discovered, or ...ed to, a curiously simple ...ouching Christian faith. ... most of us would have ... their fate, whatever ...y or cosmic indifference ...et it happen. He also ...d himself to the study of ...sm. He was horrified by ...alta Conference, and as ...s he could return to poli... existence denounced it in ...ommons.

...had, because of his illness, ...emoved from the actuality ... war, and here he does ...to have taken an outsider's ...very common in America, ...balance of military power. ...ver were the Western ...men supposed to do? The ...n army had been the best ...ver went to war. Only the ...army could have defeated ... It cost excruciating losses ...y the time of Yalta, the ... forces had become much the strongest in the world. The results of the conference were about what would have been expected in terms of Realpolitik, and as good a bargain as the West could have reckoned on.

However, Home soon showed his normal temperamental detachment. Except in minor episodes, his committed anti-Communism didn't much affect his political judgment. Like nearly all Western leaders, he was perhaps rather slow to detect the divergence between Soviet Marxism and Maoist Marxism, or to evaluate the consequences for the West when it became open. The time arrived when Home was feted in Peking, where he listened to a consummate performance of the Eton Boating Song. He makes a comment about this with the unassuming wit which is one of his endearing characteristics but so quiet that it is easy to miss.

Before that apotheosis, his career had taken some singular turns. When his father died, he had to adorn the Lords. That didn't prevent him going into Eden's cabinet in charge of Commonwealth Relations, and later into Macmillan's as Foreign Secretary. Furious protests arose about the latter appointment, which maybe only Macmillan would have dared to make—protests not because of Home personally, but because the Foreign Secretary is supposed by political necessity to sit in the Commons. In fact, there are some arguments for placing him in a more temperate climate, and this appointment was a successful one.

Then, to Home's surprise but not at all to his embarrassment, he found himself Prime Minister. It had become possible after 1958 to renounce a peerage, though the dispensation for anyone such as Home cannot have been seriously imagined. In the general confusion caused by Macmillan's operation, whom should the Conservatives choose? The odds shortened on Home. He didn't see why not. He didn't mind going back to the Commons. His manner, like Lord Melbourne's, was sometimes deceptive. After all, he had been for thirty years a professional politician. As was mentioned before, he had his own store of confidence. What other men could do, he could. He would enjoy being Prime Minister. Baffling all prophets and commentators, he very nearly won the 1964 election.

All that was in the career routine, but his resignation of the party leadership afterwards, and his service to Heath, wasn't. There all the strength of his personality, and perhaps of his upbringing, came out. He didn't blink an eye about stepping down. He behaved with total magnanimity. He had had a good run, and he was a man at one with himself.

Thinking of the Duke of Omnium, Trollope's perfect gentleman—it is difficult not to think of him in reading Home, but Home is very much less finicky and strained—one has to recognise that, in the matter of how to behave on losing the Prime Ministership, Home could teach the Duke a lesson or two.

One feature of the memoirs of nearly all politicians—or of tycoons or other men of action—is that they never imagine the possibility that they were ever wrong. If you read sets of memoirs by people on opposite sides, this produces an effect of mild vertigo. Is everyone always right? Does Home, more balanced than most of them, need to prove that he was always right? Not quite. He is no Winston. He has faint doubts about the 1930s and even about Chamberlain, whom he much admired. But the doubts are pretty faint. One might have thought that the evidence of total miscalculation, and the prospect of something like total disaster, was heavy enough. But no, not even for a man on the whole pragmatic and fair minded. It is curious, and almost the only disquieting feature in a non-disquieting and good-natured book. The writing is as good and straightforward as the nature, admirably free from affectations and stereotypes.

Crimes

Festival! by Michael Butterworth. Collins, £2.95. 192 pages

The list of Michael Butterworth's previous books is divided into two categories "Black Comedies" and "Suspense Thrillers." Presumably, this new work belongs to the second category, but it has various disturbing, incongruous elements of comedy. A pathological killer aims to wipe out thousands of hippies, Jesus-freaks, and just plains pop fans at a rock 'n' roll festival on the grounds of a stately home. A sinister (and hard to believe) international organisation decides to exploit the madman's plot. An untidy and unpersuasive book, with some neat touches here and there. Not up to Butterworth's excellent best.

Dread and Water by Douglas Clark. Gollancz, £3.25. 159 pages

In his first book *Premedicated Murder*, Douglas Clark showed a welcome talent for concision and clarity. He also introduced an engaging team from Scotland Yard. Now the team is called out on another job (DI Green has mellowed a bit in the interim), and again the book is taut and skilful. Three scientists fall mysteriously to their deaths on not particularly dangerous mountaineering excursions. Detective Superintendent Masters learns a great deal about scientific investigation, as he investigates and solves the clever murders. Mr. Clark's work is also distinguished by clean, elegant writing.

Fatal Shadows, by Sara George. Macmillan. £2.95, 192 pages

With her *Acid Drop* last year, Sara George was hailed as a promising new writer, the voice of the seventies. Still in her twenties, she has produced another novel, trendy like its predecessor, but even more overwritten and talky. The characters are, most of them, involved in a mind-expanding movement, whose aims they explain and discuss over and over again until the reader's mind shrinks to acorn-size.

WILLIAM WEAVER

Anthony Powell by Osbert Lancaster

Slow time

BY ANTHONY CURTIS

To Keep The Ball Rolling: The Memoirs of Anthony Powell. Volume One Infants of The Spring. Heinemann, £5.00, 209 pages

The Novels of Anthony Powell by James Tucker. Macmillan, £5.95, 192 pages

Anthony Powell is the tortoise of modern novelists, inching patiently forward across the garden lawn of *English upper-class* life, profoundly uninterested in what may be going on outside his walled-in terrain, ducking quickly back into his shell at the slightest hint of self-exposure, and permitting nothing to impede his slow motion progress towards his goal. He has now applied this same stately measured rhythm that carried us so beguilingly over so many years through *The Music of Time* to his own life.

By the end of the present volume *Infants of the Spring* he is 20 and has just left Oxford. He nibbles away at his ancestors, his parents—he was an only child, father a soldier, mother daughter of a barrister—and his friends at prep school, Eton and Oxford, as if they were so many leaves of lettuce, patiently shredding their pretensions to ribbons, gradually consuming the stalks of their being in the calm prose of mastication.

Like his hero John Aubrey he is a professional gossip with a deadly memory for the give-away remark, the self-betraying gesture, but without malice or rumbustiousness. Genealogy is gossip in its fossilised form and he has a passion for this too. He spends his opening chapters tracing his ancestry back to a mediaeval Welsh worthy, Rhys the Hoarse, and the emergence of his family name Powell from its earlier form, ap Howel. This debt to his forebears discharged, he turns to his childhood settings which were often changed as his father acquired a fresh posting: they moved from London to Aldershot which provided him with one section of his long novel. He has some pertinent things to say about the folly of identifying his characters with people he has known.

Many of these were in one way or another rather grand; yet perhaps the most memorably drawn figure in the whole book is that of an obscure bookseller and bibliographer, Christopher Scalter Millard, in whose dwelling at Abercorn Place, St. John's Wood, Powell at 16 used to browse, among editions of the 1890s and Oscar Wilde holographs. Millard was his first encounter with a queer eccentric of the publishing world, a type of which later as a novelist he was to become a connoisseur.

His prep. school sounds hellish but he does not dwell on its horrors. It was redeemed by the presence of Henry Green, the future novelist whom he met again at Eton. Powell has some fresh observations on that much-written-about institution. He fagged for Lord David Cecil; both Cyril Connolly and George Orwell were at the school then, but they were scholars and Powell, as an oppidan, hardly knew them. However, he became a friend of both men in later life and he deals with both very penetratingly at this stage. His closest friend at school was Hubert Duggan (Powell unbending for once confesses he had certain traits in common with Stringham). Afterwards at Balliol, there were Urquhart, Hubert's brother Alf, Peter Quennell the Hypocrite's Club, eventually Bowra.

But it is Green (whose real name was Henry Yorke) the fellow novelist with his double-life straddled between literature and commerce, an even more elusive character than Powell himself, who haunts the book like an affable familiar ghost. Although his sad silent final years are touched upon and some kind of summing-up of his work attempted one hopes he will reappear to be reappraised in subsequent volumes. How many of these there will eventually be is not clear. This one makes a promising, enjoyable start to the venture.

A reminder that there is more to Powell's fiction than Widmerpool and Co. comes in James Tucker's *The Novels of Anthony Powell*. Mr. Tucker relates the narrative techniques tried out in the five early novels, published up to 1939, to *The Music of Time* and he offers a valuable "Who's Who" to jog the memory about the fortunes of its manifold characters. I was amused but not surprised to find how many of the potted biographies are spattered with question marks where the precise nature of a relationship remains obscure even to this thoughtful critic.

Fiction

Chorister's sad plight

BY ISOBEL MURRAY

The Alteration by Kingsley Amis. Jonathan Cape. £3.50. 208 pages

The Death of the King's Canary by Dylan Thomas and John Davenport. Hutchinson, £3.25. 145 pages

A Quiet Life by Beryl Bainbridge. Duckworth, £3.25. 156 pages

The Pontius Pilate Papers by Warren Kiefer. Hamish Hamilton, £3.75. 297 pages

The Willow-Pattern War by W. H. Canaway. Hutchinson, £3.75. 208 pages

The basis of Kingsley Amis's new novel is a great idea for a comic situation; it is set in 1976, but not the one we know. The Reformation did not take: Martin Luther became Pope, Europe and England remain Catholic—indeed, the current Pope hails from Yorkshire; science is largely forbidden because of a superstitious fear of electricity, but it flourishes in the New World, still a place of outlaws and heretics.

There is endless amusement to be got out of this situation, and Amis sucks it dry: familiar names pop up in unfamiliar roles, such as the French Jesuit J.-P. Sartre, or Ayer, the Professor of Dogmatic Theology, and two aged representatives of the Holy Office called Himmler and Beria. Splendid little changes occur in the language too, especially Italian or Latinate forms of words.

Now all this is great fun, and clearly Amis enormously enjoyed exercising his ingenuity, and the reader will enjoy it too, if less consistently, but I found the book finally a little disappointing. This is because of the plot, which has only a tangential relation to the basic situation and is rather laboured. It is about a 10-year-old boy singer with the best voice anyone can remember, and the Machiavellian plotting of various clergy to have him undergo an operation, or "alteration," to preserve his voice in its perfect state.

A lot of time is spent on Hubert's pathetic plight, his efforts to understand or imagine what the pleasures which are to be forfeited can be like, his attempts to escape. I found it less engrossing than the background. Recognisably Amis, but not Amis at his best.

Another book based on sheer fun is *The Death of the King's Canary*. In 1940 Dylan Thomas and John Davenport collaborated on an elaborately ridiculous murder story, packed with recognisable pictures or caricatures of contemporary literary figures to a libellous extent. Thus its late publication. The first chapter in particular is a great joy, describing how a tired Prime Minister, disturbed by bombs in the shrubbery, is instructed by his private secretary to select the new Poet Laureate before he goes to bed. This creates a splendid opportunity for parody, which is fully exploited. The PM has a hard time reading: "He had always been terrified of going out of his mind. It had happened to so many of his colleagues," and eventually he chooses the last volume: "It was frightful, but it would do."

And so Hilary Byrd becomes Laureate, and the rest of the book describes an amazing, grotesque and frequently sadistic house party at his country seat, where literati gather by the score, the sex of individuals is often in doubt, but the sexual activity is not, and bearded ladies, lions and six sibling dwarfs add to the extravagant absurdity of it all. I found this a very entertaining novel.

And now for something *completely* different. Beryl Bainbridge's *A Quiet Life* is a short but near-perfect novel of family life. Framed by a meeting of brother and sister after about 20 years, it investigates their childhood, as remembered and experienced by the brother, Alan. Alan is troubled about his sister Madge, who runs wild in and around the seaside village *where they live and is rumoured* to be meeting a German prisoner. She defiantly admits the rumour is true, and informs Alan she intends to sleep with him. Alan himself is troubled by young love, but more so by the bitter and painful relationship between his parents.

Increasingly, in fact, we wonder how disturbed he is, how true his vision of things, or how distorted. Beryl Bainbridge has an awful ability to show how cruelly families can rend themselves, and a control of quiet but corrosive irony that is unmatched.

After that, two books to relax and escape with. *The Pontius Pilate Papers* is a most competently constructed thriller-cum-murder story. It begins with the murder of an archaeologist and paleographer in a museum in Jerusalem, a man who had been working on a newly discovered and potentially explosive set of papyri, possibly to prove more important than the Dead Sea Scrolls. The papyri vanish, and the mystery is tackled by a millionaire amateur archaeologist, an unlikely Israeli police inspector and some even more unlikely investigators. The scene is set for a vivid account of chase, violence, sex, murder and international travel. The telling is crisp and the story moves fast, the dialogue sometimes crackles with wit, and the book is never dull.

The Willow-Pattern War is a much more unlikely story, not intended to be taken too seriously. It involves a spoilt young student who has been having an affair with his Professor's wife being blackmailed by an agent of unknown origin and purposes to take on the disguise of an Albanian spy. Between one murder and the next disappearance he finds himself on the job in every sense, trekking through China in search of musk deer, unaware of what his mission is supposed to be, and very susceptible to the charms of an ideologically committed Chinese charmer. Each happening is more improbable than the last, each escape more unlikely, and it all happens with breathless speed. Highly recommended *for train journeys*.

Picturegoers' pre-war paradise

BY SANDY WILSON

Scarlett, Rhett and a Cast of Thousands: The Filming of Gone With The Wind by Roland Flamini. André Deutsch. £4.95. 355 pages

Growing Up In Hollywood by Robert Parrish. Bodley Head. £4.95. 229 pages

Anyone who was a pre-war film fan cannot fail to have taken part in the Great Quiz Game: Who's Going to Play Scarlett O'Hara? At first it seemed like a straight contest between Katharine Hepburn and Bette Davies, neither of whom filled the bill physically. Tallulah hovered briefly on the sidelines before the winner was announced, surprisingly, to be Norma Shearer.

My favourite was Paulette Goddard and I was relieved, along with all her protesting fans, when Norma withdrew and the battle was on again. Now it was going to be an Unknown and the talent scouts scoured the States, while Clare Booth wrote a play about it all called *Kiss the Boys Goodbye*. So it was with a sense almost of shock that we heard the news in 1939 that Scarlett would be played by an *English* actress—Vivien Leigh.

It seemed a foregone conclusion that Clark Gable would be cast as Rhett Butler and Leslie Howard as Ashley Wilkes, although neither of them appears to have wanted the role and Margaret Mitchell's own role choice for Rhett was, of all people, Basil Rathbone. Olivia de Havilland too seemed a natural for Melanie, and now we were all set to go.

The first still appeared in Film Weekly, and I had to admit that Vivien Leigh at least *looked* the part. Meanwhile War was declared, and later France fell—shortly after GWTW, as it was referred to in the Press, had been premièred in Atlanta. For a few months there was the possibility, more dreadful than the imminent invasion of Britain, that the European release would be postponed until after the War. But it finally opened at three London cinemas simultaneously—unprecedented in those days—and I and my mother were first in the queue at the Empire on the morning after. At the intermission, when Scarlett swears "I'll never be hungry again!" the whole cinema was a-rustle with the unwrapping of sandwiches.

Four hours after we went in we staggered out into Leicester Square, and my mother said, "It was just like seeing the book unfold, page after page." And she was right. Whatever the merits of GWTW as art—and I submit that it was the greatest second-rate movie ever made—its justification was that *nobody* was disappointed, which, after three years of fevered expectation, was an achievement in itself.

For anybody who went through all this, Mr. Roland Flamini's chronicle of the filming is compulsive reading. He marshals all his facts and fables with skill, and brings the whole circus to life again, with due tribute to its ring-master, David Selznick, who has to be admired for his persistence, if nothing else. He has also embellished it with the *now statutory scurrilities about* the private lives of the stars, and, as is the way these days, leaves us at the end wondering sadly: "Where has all the magic gone?" But the film itself still remains, even in its cropped, *wide-screen version*, to prove that Hollywood was once dream-factory to the world.

Rather more heart-warming—excessively so at times—is Robert Parrish's account of his childhood and adolescence in the same establishment. Starting off with a bit part in Chaplin's *City Lights*, he learned his trade working for and with most of the Hollywood Greats, of whom he clearly considers John Ford the greatest, and graduated with an Oscar for editing Robert Rossen's *Body and Soul*. It is a racy, eventful story, often extremely funny, and if it reads on occasion like the script of a Cagney movie, well, Mr. Parrish is a film man born and bred and that is his privilege.

Against manipulation

BY JUREK MARTIN

Diplomacy for a Crowded World by George W. Ball. Bodley Head. £5.00. 356 pages

George Ball is as likely as the next man to be Jimmy Carter's Secretary of State, if he ever finds himself in a position to appoint one. One of the few people to emerge from the débâcle of American policy-making under Lyndon Johnson in Vietnam, Mr. Ball has become something of an elder statesman to the goodly number of Democrats who, though steeped in foreign policy, have had no opportunity to exercise it in the past eight years.

In many ways his book will probably commend itself to Mr. Carter, not so much because it indicts Henry Kissinger on assorted grounds but because of its remarkably practical nuts-and-bolts approach to America's *relations with the Third World* and its traditional allies. The suspicion is that Mr. Carter likes to solve micro-problems, as opposed to global ones, and Mr. Ball neatly succeeds in confronting the former without neglecting the latter.

The Ball thesis is that it is incumbent on America to improve the status of the world's poor because of compassion for the people rather than any obliga*tion to the governments, he does* not think grandiose schemes will work and he doubts that, either overnight or over an extended period of time, the U.S. can eradicate poverty in the world or equalise conditions in the developing nations. He is a believer, however, in at the very least giving the emerging countries the tools with which they can work. Eschewing largesse and concentrating on the eleva*tion of human dignity there is*, if you like, a hint of a hangover from the Kennedy morality (of which Mr. Ball was a part) that the U.S., if it put its mind to it, could wave magic wands and through its moral strength aided *and abetted by its money solve* global problems. This is now suitably tempered by reality and the acknowledged limits on the assistance that the U.S. can render.

His indictment of Henry *Kissinger's policies*, under both presidents Nixon and Ford, is, in a sense, cut from the same cloth of feeling. The politics of Metternich and Bismark, in Mr Ball's view but not, clearly in Dr. Kissinger's, are less valid as the world becomes more complex. In particular Mr. Ball is sharply critical of what he considers Dr. Kissinger's cavalier treatment of Europe (mostly America's traditional allies) in 1973, the year that Dr. Kissinger had himself proclaimed as "The year of Europe." What Kissinger wanted, according to Mr. Ball, was to prevent Europe from taking a common stand on issues, because that was potentially messy. *In essence he is saying* that Kissinger never really understood the subtleties of European unity and European politics but was conscious of the fact that, as a bloc, Europe could get in his way.

Manipulative diplomacy, according to Mr. Ball, is already an anachronism, which seems to be the Carter philosophy too. Certainly "secret" diplomacy, considered no more than four years ago to be an enormous virtue, is now severely tainted. There will, undoubtedly, have to be alternatives and Mr. Ball's book successfully explores a number of them.

BOOKS OF THE MONTH

Announcements below are pre-paid advertisements. If you require entry in the forthcoming panels application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4P 4BY. Telephone 01-248 8000, Extns. 7064 or 394

Rise of the Corporate Economy

Leslie Hannah

This book gives an account of how today's large corporations have superseded the small competing firms of the nineteenth century.

Methuen and Co Ltd. £7.75

Before The Industrial Revolution
European Society and Economy 1000-1700

Carlo Cipolla

The purpose of this book is to provide an overall view of pre-industrial Europe, and in particular a fresh interpretation of the characteristics and evolution of its economy and society.

Methuen and Co Ltd. £6.25
University Paperback £2.90

The Flesh Is Frail

Edited by Leslie A. Marchand Volume 6, 1818-1819, of Byron's Letters and Journals contains entertaining letters from Italy discussing his business affairs; his new poems and his love affairs, particularly with the Countess Guiccioli.

John Murray £5.95

Stocks and Shares From A to Z

Nedlaw

A clear reference for everyone interested in investment on the Stock Exchange. "A most useful and thorough-going book, and one which does not shirk complex questions." The Dark Horse.

Kaye & Ward £2.95

Tolley's Income Tax 1976-77

Eric L. Harvey, F.C.A.

A definitive reference work on income-tax and capital gains tax. Incorporates all changes in tax law plus a summary *of the 1976 Finance Act*. It also updates all relevant case law to 31 July 1976.

0 510 49344-0

Tolley £4.75

U.K. ECONOMIC INDICATORS

	1976 Sept.	Aug.	July	1975 Sept.	Aug.
...al ...ployment ('000s)	1,466.4	1,501.9	1,332.6	1,249.1	1,259.3
...ed vacancies ('000s)	129.0	128.0	129.1	143.4	138.4
...ncy reserves ($bn.)	5.158	5.029	5.370	5.859	6.004
	Aug.	July	June	Aug.	July
...advances (£bn.)b	15.100	15.513	14.466	14.064	14.255
...materials (1970=100)	302.9	301.6	299.8	241.4	233.2
...d. prods. (1970=100)	223.4	218.9	217.0	193.5	191.7
...rates (July 1972=100)	216.4	216.3	214.4	184.3	183.6
...l prices (Jan. 1974=100)	158.5	156.3	156.8	139.3	138.5
...ebt (£m.)‖	2,430	2,386	2,363	2,247	2,249
...sales val. (1971=100)	204.3	199.9	194.2	175.8	175.3
	July	June	May	July	June
...s of trade (1970=100)	79.4	80.0	79.6	82	81.4
...rial output (1970=100)	101.9	100.4	104.1	100.9	99.5

	1976 Aug.	July	Jan.-Aug.	1975 Aug.	Jan.-Aug.
...and Industry					
...rts fob (£bn.)	2.331	2.482	2.212	1.875	1.756
...rts fob (£bn.)	2.040	1.955	1.929	1.492	1.518
...e trade balance (£bn.)	−0.291	−0.524	−0.282	−0.401	−0.264
... weekly average ('000 ...nes)	374.8	367.1	423.5	353.7	387.9
...('000s)*	80	138	112.5	96	106
...mercial vehicles	26.4	23.3	32.0	29.7	32.9
...es completed ('000e)‡	24.0	26.8	25.5	24.0	24.4
	July	June	Jan.-July	July	Jan.-July
...ets ('000s)‡‡	196	188	185.4	194	224
...s, radiograms ('000s)‡‡	235	320	300.8	345	376
...ture (1970=100)†**	150	126	151.4	156	158
...s (millions)*	443	487	457	421	412
...nt, weekly average ('000 ...nes)°	315	339	312	332	329
...made fibres (m. kgs.)*	46.72	51.78	51.99	47.0	46.41
... cotton, weekly average ...0 metric tonnes)§	2.19	1.91	2.31	2.66	2.14
	June	May	Jan.-June	June	Jan.-June
...ry (1970=100)**	81	85	86.6	112	101
...ric cookers ('000s)††	70.6	105.7	78.5	63.2	74.9
...ing machines ('000s)†	107.8	58.4	65.0	69.5	89.9
...leum (m. tonnes)††	5.835	6.020	6.905	5.680	7.04
	June	May	Jan.-June	June	Jan.-June
...neering orders on hand ...70=100)**	90	91	93.3	112	119.2
...wools (m. kilos)§	9.9	10.2	10.2	10.2	9.4
	Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
...ine tools (£m.)†	34.6	27.8	29.8	30.2	25.2

	1976 2nd qtr.	1st qtr.	1975 2nd qtr.	1st qtr.	Year
...umer spending (£bn. ...0 values)	8.875g	8.912	8.839	9.041	35.413
...t trade turnover (1972= ...)	177	166	148	137	143
...ting and civil engineering ...n.)e	3.163g	3.014	2.912	2.644	11.610

...duction. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally ...sted. †† All manufacturing industries. ‖ Excluding car radios. ...eliveries, U.K. made and imported sets. b From May, 1975, ...rds new basis of calculation refers to advances to U.K. public ...private sector. Historic figures on new basis not available. ...ces. f Including cooker griller toasters. e Value of output. ...ited Kingdom not seasonally adjusted. g First preliminary ...hate. p Provisional figures.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Renault produces record results for nine months

BY ROBERT MAUTHNER

PARIS, Oct. 6

RENAULT, the French state owned motor car manufacturer, has beaten all its previous records in the first nine months of this year, the company's chairman, M. Bernard Vernier-Palliez, announced to-day at a Press conference on the eve of the Paris motor show.

The passenger car division's consolidated turnover this year is expected to be in the region of Frs.30bn. (about £3.7bn.), some Frs.7bn. up on 1975, though comparisons with last year are not really relevant because of the long strike which hit the company in the spring.

Sales of the commercial vehicles division, grouping Saviem and Berliet, are expected to total Frs.9bn. in 1976, while those of Renault's industrial enterprises sector (agricultural machinery, machine tools and other activities, related to the motor industry) should reach about Frs 3.5bn.

During the first nine months of this year, 1,188,000 vehicles were produced by Renault plants throughout the world and in France where new registrations of Renault cars rose by 35 per cent. during this period compared with the first nine months of 1975. Renault cars now represent more than one third of total vehicle registrations.

Even the commercial vehicle sector, which has recently been in the doldrums, has shown a marked improvement with sales in the domestic market rising by nearly 54 per cent. so far this year, though exports are still lagging.

The company's overall exports, on the other hand, have also been doing well this year. Some 690,000 vehicles were sold abroad during the first nine months, corresponding to more than 45 per cent. of total French car exports. Sales to other EEC countries were a source of particular satisfaction, rising by 24 per cent. Broken down by individual member countries, they went up by as much as 70 per cent. to Italy, more than 16 per cent. to Belgium, 14 per cent. to West Germany and slightly more than 3 per cent. to the U.K. Towards the rest of the world, exports increased by 13 per cent.

M. Vernier-Palliez did not appear to be over-worried by the impact that the Government's anti-inflation plan, which comprises a 15 per cent. rise in super petrol prices and a sharp increase in the road tax paid by motorists, would have on the automobile industry. Clearly, there would be some adverse effects, but they should not be catastrophic, he said.

The Renault chairman, however, showed much more concern for the upheavals in the money markets over the past few months to which his company, with exports totalling some Frs.13bn., was particularly sensitive. "We really have the impression that we are playing Russian roulette in some markets," M. Vernier-Palliez said, referring specifically to the sharp fluctuations of the pound in recent weeks. If order was not restored to the monetary system it would lead to a great deterioration in international trade, he said.

Pessimistic feeling at RSV

By Michael Van Os

AMSTERDAM, Oct. 6.

RSV, Holland's major shipbuilding and heavy engineering company, is beginning to feel the impact of the ships orders shortage sharply, and to-day's half-year statement is considerably more pessimistic about the short-term prospects than it had appeared in April this year.

The company admitted in Rotterdam to-day that in view of a number of setbacks, this year will be concluded with a loss. And as the situation looks at present, next year is also expected to end with a deficit.

RSV, which remained very vague in its statement as far as hard figures were concerned, noted that the first 32 weeks of this year had still shown "some profit." It added, however, that the size of the order portfolio, the re-organisation planned on its own acount and the potential restructuring of the whole Dutch shipbuilding sector should eventually lead to an improved position.

In to-day's statement, the company said that the shipbuilding market had deteriorated further this year, while the decline in the ship-repair market had been "considerably larger" than was expected.

Further, uncertainty remained as far as the nuclear energy sector was concerned. This had arisen after the postponement of the Dutch government decision about the future application of this energy source in Holland.

Although progress had been made regarding the re-structuring projects in the sectors shipbuilding and machine construction, it would take some substantial time for the effects to start having a favourable impact on results.

Statsforetag seeks funds

BY HILARY BARNES

COPENHAGEN, Oct. 6.

STATSFORETAG, the Swedish state holding company, may have to consider whether private capital can be brought into the group in the form of share capital, Mr. Per Skoeld, managing director, said in a lecture to Stock Exchange members in Gothenburg. A spokesman for the company said that his remarks were part of a "purely theoretical discussion" but with a new government about to take over in Sweden after 44 years of Social Democratic administration the remarks have aroused considerable interest.

Mr. Skoeld was reiterating a theme he has hammered out several times already this year—the need for the group to improve its solidity.

Statsforetag, with about 45,000 employees, was set up at the beginning of the decade to spearhead the Socialist Government's expansion into industrial ownership. There are 28 member companies, among them LKAB, the Kiruna ore-mining company, ASSI, forest industries, the NJA steelworks, the State tobacco company and the Uddcomb nuclear engineering company.

Mr. Skoeld said the group had found it difficult to reconcile political demands to create more jobs with commercial viability. Its financial problems were accentuated by the fact that many of its operations are in capital intensive sectors.

EUROMARKETS

$800m. for Mexico

BY TONY HAWKINS

EIGHTEEN international banks are to organise a $800m. Eurodollar loan to the Government of Mexico.

The Bank of America is co-ordinator of the management group, which includes a strong contingent of Canadian banks as well as American, Swiss and West German banks.

There are to be two tranches of $400m. each—a five year tranche at a spread of 1½ per cent. above the London interbank deposit rate and a seven-year tranche at a spread of 1¾ per cent. The spreads are in line with previous borrowings by Mexico.

The 18 banks are Bank of America, Bankers Trust Company, Chase Manhattan Corporation, Chemical New York Corporation, Citicorp group, Continental Illinois National Bank and Trust Company, First National Bank of Chicago, Manufacturers Hanover Trust Company, Security Pacific Corporation, Deutsche Bank, Algemene Bank Nederland, Swiss Bank Corporation, Union Bank of Switzerland, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada, Toronto-Dominion Bank, Canadian Imperial Bank of Commerce.

The $800m. loan is believed to be the biggest ever made to Mexico in the Euromarket. Figures published earlier this week by Morgan Guarantee Trust show that in the first three quarters of this year Mexico borrowed nearly $1.2bn. in the form of publicised Eurocurrency bank credits so that this loan will take such publicised borrowings to almost $2bn.

There is no surprise at Mexico's decision to borrow heavily at this stage given the country's severe economic difficulties which follows the decision in August to float the Peso, leading later to the fixing of a new parity for the Mexican currency of 19.90 pesos—to the dollar—an effective devaluation of 37 per cent.

* * *

Both banking and Whitehall sources were yesterday discounting speculation that further Euromarket borrowing by the U.K. public sector is imminent. Banking sources said that the $500m. Electricity Council loan announced last week is going well.

Official figures show that in the first nine months of 1976, public sector borrowing abroad under the Treasury's exchange cover scheme totalled $2.65bn.

Australian exchange proposals

MELBOURNE, Oct. 6.

MELBOURNE and Sydney stock exchanges propose to allow reciprocal access to each other's markets and to form a joint committee with administrative and rule-making powers, the Melbourne stock exchange said in a statement.

The proposals will be put to members of each exchange for approval at meetings to be held, not later than December 1. The exchange deferred a meeting for Melbourne brokers to consider similar proposals, set for October 18.

Exchange sources said the moves are a first step, after long negotiations, towards the formation of a national stock exchange with members of exchanges in every capital city being able to trade reciprocally.

Reuter.

U.S. COMPANIES

Gulf Oil planning to spend $10bn.

BY JOHN WICKS

ZURICH, Oct. 6.

A SUM of about $10bn could be involved in the new five-year investment programme of Gulf Oil Corporation, the company's executive vice-president Harold H. Hammer said at a presentation here to-day.

As a first step, a record $2.1bn. is to be spent worldwide on capital and exploration projects this year, as compared with about $1.5bn. in 1975.

Over the five-year period, some two-thirds of Gulf's capital outlays will be earmarked for resource acquisition and development and 80 per cent. of total expenditure will be in North America.

Investments in Europe, where over $2bn. has been spent to date, are to "increase substantially" in the coming years, said Hammer, as Gulf develops its North Sea properties, and also proceeds with marketing chemical expansion projects now under review.

North Sea operations were expected to add significantly to profits in future, he added. Total net profits from the group's North Sea engagement, said J. Powell Hule, senior vice-president of Gulf Energy and Minerals Corporation International, should yield total net profits of $1bn. by 1990, with 1982 as a pay-off date.

Northrop Corp. in profit

By Michael Donne, Aerospace Correspondent

NORTHROP CORPORATION, the U.S. military aircraft manufacturer, earned a profit in the third quarter of this year, according to Mr. Thomas V. Jones, chairman and chief executive.

He told a meeting of the New York Society of Analysts that final figures would show sales for the third quarter of about $320m., an increase of about 30 per cent. over the third quarter of 1975. In the nine months ended September 30, sales were about $912m., against $706.5m. in 1975.

Operating margins, he said, improved about 65 per cent. compared with the third quarter a year ago, and operating margins for the nine-month period were about 90 per cent. better than in 1975.

Goodyear loss

AKRON, Oct. 6.

GOODYEAR Tire and Rubber said the four-month long rubber industry strike will cause it to report a small loss in its third quarter ended September 30.

Goodyear said however "the fourth quarter looks favourable and substantial improvement is expected over the fourth quarter of 1975."

Charles J. Pilliod Jr, chairman of Goodyear, said that idle plant costs in July and August plus time needed to replenish tyre pipelines in September hurt the company's earnings. He also said earnings were adversely affected by international performance especially by currency devaluations in Brazil, Mexico and the U.K.

Pilliod said current forecasts "indicate Goodyear will make a strong showing in both sales and earnings in 1977."

AP-DJ

Unit trust repurchases fall in South Africa

BY RICHARD ROLFE

JOHANNESBURG, Oct. 6.

THE R250m. South African mutual fund (unit trust) industry had a mixed quarter to September 30, some funds recording inflows and others net repurchases. But the combined figure for the industry as a whole with some funds still to report, suggests a decline in repurchases by the public for the first time in over a year.

Yields range from 8.7 per cent. to 9.6 per cent. on the 11 funds for an average of 7.4 per cent., still well under the combined yield of nearly 11 per cent. on the Rand Daily Mail 100 Index and no doubt reflecting the liquidity and convenience factor of the mutual funds.

A number of the mutuals continue to show large cash holdings, which suggests some scepticism on whether the industrial market has really turned. Guardbank, managed by Guardian/Liberty Life and associated with Barclays was 20 per cent. in cash at September 30 and over the quarter since June 30, the value of its fund dropped 1 per cent., against the RDM 100 6.3 per cent. Guardian faced an outflow of R57,000 in the quarter and bought Clydesdale, De Beers, Rand Selection, Barlows, Nedbank, Rembrandt and Reed Nampak. At the end of the quarter, its biggest sector commitment was banking at 9.7 per cent. of the fund, followed by coal at 8.6 per cent.

Standard Bank Mutual Fund enjoyed an inflow of R466,000 in the quarter and is currently 13 per cent. in cash. It increased its exposure to diamonds, coal and platinum and plans to accelerate its buying programme in the current quarter. UAL, a R24m. fund, bought mining finance stocks, Bishopsgate Platinum and Sappi in the quarter and was 8 per cent. in cash at the end. Its biggest holdings remained the manganese and ferro alloy producer Samancor, Pick n Pay stores, Barlows and Woolworths.

Like the smaller stablemate Syfrets Intersrowth Fund, UAL recorded a net inflow and the combined inflow for the two funds was R238,000. Syfrets sold all its direct gold holdings in the quarter and bought Rustenburg Platinum and more diamond exposure through Anamint. The small Afrikaans fund, Santamgro, had a net outflow, likewise sold all its golds, and made few other changes. It was 21 per cent. in cash at September 30.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcoa 8½pc 1988	[illegible]	[illegible]
Australia 9½pc 1981	[illegible]	[illegible]
Bowater 9.5pc 1986	[illegible]	[illegible]
Canal National Amsterdam 9.5pc 1991	[illegible]	[illegible]
CNA 9½pc 1993	[illegible]	[illegible]
Denmark 9½pc 1994	[illegible]	[illegible]
ECSC 9½pc 1996	[illegible]	[illegible]
EIB 9.5pc 1986	[illegible]	[illegible]
Fiat 9½pc 1993	[illegible]	[illegible]
Esso Sn. 1986 Nov.	[illegible]	[illegible]
Eurofima 9½pc 1993	[illegible]	[illegible]
Grampian 9½pc 1993	[illegible]	[illegible]
IBRD Canada 9½pc 1986	[illegible]	[illegible]
Massey Ferguson 9½pc 1991	[illegible]	[illegible]
Norfolk 9½pc 1988	[illegible]	[illegible]
Norsk Hydro 9½pc 1991	[illegible]	[illegible]
Nat Westminster 9½pc 1988	[illegible]	[illegible]
Newfoundland 9½pc 1988	[illegible]	[illegible]
Norway 9½pc 1986	[illegible]	[illegible]
Norsk Hydro 9½pc 1991	[illegible]	[illegible]
Oslo 9½pc 1994	[illegible]	[illegible]
Prov. Quebec 9½ 1984	[illegible]	[illegible]
Sandvik 9½pc 1986	[illegible]	[illegible]
Prov. Saskatchewan 8½pc 1986	[illegible]	[illegible]
XLE 9½pc 1987	[illegible]	[illegible]
Standard Oil (Ind.) 9½pc 1989	[illegible]	[illegible]
Swedish Railways 9.5pc 1986	[illegible]	[illegible]
Unilever 9½pc 1993	[illegible]	[illegible]
NOTES		
Australia 8.5pc 1981	[illegible]	[illegible]
Bank of Tokyo 9½pc 1981	[illegible]	[illegible]
Canada Gas 9½pc 1981	[illegible]	[illegible]
Denmark Mortg. Bk. 9½pc '82	[illegible]	[illegible]
ICCN 9½pc 1981	[illegible]	[illegible]
EEC 9½pc 1982	[illegible]	[illegible]
Michelin 9½pc 1984	[illegible]	[illegible]
Montreal Urban 9½pc 1981	[illegible]	[illegible]
National Westminster 10pc 1981	[illegible]	[illegible]
Tokyo Gas Board 9½pc 1981	[illegible]	[illegible]
Vale Rio Doce Prov. 9½pc 1981	[illegible]	[illegible]
Sweden 9½ 1981	[illegible]	[illegible]

Source: White Weld Securities, London

CONVERTIBLES	Bid	Offer
American Express 4½pc 87	[illegible]	[illegible]
Ashland Oil 5pc 1991	[illegible]	[illegible]
Beatrice Foods 4½pc 1992	[illegible]	[illegible]
Beatrice Foods 4½pc 1992	[illegible]	[illegible]
Burroughs 5pc 1991	[illegible]	[illegible]
Broadway Hale 4½pc 1987	[illegible]	[illegible]
Canon Camera 7½pc 1989	[illegible]	[illegible]
Carnation 4½pc 1987	[illegible]	[illegible]
Chevron 4½pc 1988	[illegible]	[illegible]
Dart 4½pc 1987	[illegible]	[illegible]
Kaufman Broad 4½pc 1988	[illegible]	[illegible]
Economic Labs 4½pc 1987	[illegible]	[illegible]
F. W. Dest. Stores 4½pc '93	[illegible]	[illegible]
Firestone 5pc 1988	[illegible]	[illegible]
Gen. Mills 4½pc 1987	[illegible]	[illegible]
Ford 4½pc 1988	[illegible]	[illegible]
General Electric 4½pc 1987	[illegible]	[illegible]
Gillette 4½pc 1987	[illegible]	[illegible]
Gould 5pc 1987	[illegible]	[illegible]
Gen. Tire and Rubber 4½pc '87	[illegible]	[illegible]
Grace 5pc 1987	[illegible]	[illegible]
Heublein 4½pc 1988	[illegible]	[illegible]
ITT 4½pc 1987	[illegible]	[illegible]
Kimberly 4½pc 1990	[illegible]	[illegible]
Litton 4½pc 1987	[illegible]	[illegible]
Mobil Oil 4½pc 1988	[illegible]	[illegible]
Nabisco 4½pc 1988	[illegible]	[illegible]
Owens Illinois 4½pc 1987	[illegible]	[illegible]
J. C. Penney 4½pc 1987	[illegible]	[illegible]
Pennzoil 4½pc 1988	[illegible]	[illegible]
Raymond 4½pc 1989	[illegible]	[illegible]
Revlon 4½pc 1987	[illegible]	[illegible]
Reynolds Metals 5pc 1988	[illegible]	[illegible]
Sperry Rand 4½pc 1987	[illegible]	[illegible]
Sunbeb 4½pc 1987	[illegible]	[illegible]
Texaco 4½pc 1988	[illegible]	[illegible]
Toshiba 6.5pc 1990	[illegible]	[illegible]
Union Carbide 4½pc 1982	[illegible]	[illegible]
Warner Lambert 4½pc 1987	[illegible]	[illegible]
Warner Lambert 4½pc 1988	[illegible]	[illegible]
Xerox 5pc 1988	[illegible]	[illegible]

Source: Kidder, Peabody Securities.

Sanyo Electric plans U.S. deal with Sears Roebuck

BY CHARLES SMITH, FAR EAST EDITOR

SYDNEY, Oct. 6.

SANYO ELECTRIC, one of the top Japanese electrical manufacturers, is to establish a joint venture in the U.S. with Sears Roebuck for the manufacture of large sized colour TV sets which will be distributed under the Sears label.

Sanyo is already exporting smaller colour TV sets to the U.S. for distribution by Sears and is credited by its rivals in the Japanese TV industry with having secured a 30 per cent. share of total Japanese TV exports to the U.S. through the Sears tie-up.

The new arrangement between Sanyo and Sears will involve Sanyo buying out the 57 per cent. stake held by Whirloppo Corporation in an existing company which makes TV sets for Sears.

The company, at present named Warwick Electronics, will be renamed Sanyo Manufacturing after the share transfer. It will be 57 per cent. owned by Sanyo, with Sears Roebuck retaining its present 25 per cent. stake and a further 18 per cent. of publicly held shares.

The deal, assuming it is approved by the U.S. and Japanese Governments, will initially cost Sanyo $10.3m. but the company says it may subsequently buy in some of the publicly held shares increasing its control to a possible maximum of 75 per cent. Production will start under Sanyo management at Forest City, Arkansas, from early next year with an initial monthly output of 20,000 sets.

Sanyo will be the third Japanese company to acquire manufacturing facilities in the U.S., following Sony, which established its own plant at San Diego (California) and Matsushita, which took over the TV manufacturing interests of Motorola.

The difference between Sanyo's strategy and that of its rivals is that the U.S. plant will not be producing TV sets under Sanyo's brand name but will be supplying sets for sale under the Sears label.

Sanyo has followed the same strategy in its exports from Japan with results that are being watched with a mixture of envy and resentment by other manufacturers.

Sears TV sets sell at a discount in the U.S. below sets carrying manufacturers' brand names and this has enabled Sanyo to increase its total share of Japanese TV exports to the U.S. very rapidly.

Sanyo itself declines to accept its rival's figures on either its market share or the amount of discount available on Sanyo-made Sears sets but has no figures of its own to offer. Sanyo claims that it is "not the only" Japanese company exporting TV sets to the U.S. for discount selling under the Sears label.

Sanyo's president, Mr. Kaoru Iue, recently made news when he suggested that Japanese electrical companies might have to accept self-imposed restraints on their exports to the U.S. to avoid having import controls imposed at the other end.

At least one of Sanyo's competitors has taken bitter exception to this statement claiming that Sanyo sees voluntary controls not as a way of heading off American protectionist pressures but as a device for securing its own recently enlarged share of Japanese exports to the U.S.

Mr. Iue himself is now in Europe, where he will be visiting Sanyo's British and Swiss offices before going on to the U.S. Mr. Iue spends six months of the year on foreign travel and is described by Sanyo as the company's chief "international businessman."

Sanyo was founded after the war by an elder brother of Mr. Iue who was also a brother-in-law of Mr. Konosuke Matsushita the founder of the giant Matsushita Electric Industries. Despite their common origins the two companies to-day function wholly independently and appear to regard themselves as each other's principal competitors.

Myers growth rate beats rivals

SYDNEY, Oct. 6

MYER EMPORIUM, Australia's largest department store retailer, boosted its profit almost 20 per cent. from A$35.6m. to a record A$42.7m. in the year to July 31.

"The group's growth rate is better than that of other major rivals to report so far, including G. J. Coles, Woolworths, David Jones, Grace Bros. and Waltons, but sharp cost increases affected the profit growth in the second half. The slower second six months followed a strong first half when earnings rose more than 40 per cent.

The directors have adjusted the result to reflect the effects of a 13 per cent. rise in the consumer price index over the year. On this basis earnings rose only 6.4 per cent.

Sales, which rose 13.4 per cent. to A$967m. increased only 0.4 per cent. when adjusted for inflation. The directors said sales were not buoyant and allied with the "sharp cost increases" in the second half the current outlook was not particularly good.

Myer lifted its overall margin on sales from 4.2 cents in the dollar to 4.4 cents, easily exceeding those of other major retailers. The dividend is increased from 8.5 cents a share to 10 cents and is covered by earnings of 23.2 cents compared with 19.4 cents in 1974-75.

● New South Wales brewer, Tooheys, suffered a reversal in 1976-77 when earnings dipped 8.7 per cent. from A$5.6m. to A$5.1m. Earnings a share fell from 13.4 cents to 10.9 cents, the lowest level since 1969-70, but the dividend has been held at 7 cents. Gross revenue rose 17.6 per cent to $A195m. but Tooheys sales of packaged beer dropped three to four per cent. Reuter

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NOTICE OF REDEMPTION

to the Holders of

Curaçao Tokyo Holding N.V.

10¼ Per Cent. Guaranteed Notes Due 1981

NOTICE IS HEREBY GIVEN that two Million Dollars ($2,000,000) principal amount of the CURACAO TOKYO HOLDING N.V. 10¼ Per Cent. Guaranteed Notes and bearing the following serial numbers have been drawn for the account of the Sinking Fund for redemption on November 15, 1976.

COUPON BONDS

2	1174	2184	3238	4353	5487	6610	7763	8793	9953	10930	12182	13368	14309	15512	16739	17869	19037
13	1187	2190	3247	4373	5496	6616	7777	8803	9962	10938	12196	13379	14412	15521	16750	17881	19046
34	1198	2204	3356	4384	5506	6626	7784	8806	9971	10947	12208	13387	14422	15530	16762	17895	19054
45	1202	2211	3365	4395	5514	6636	7795	8815	9987	10963	12218	13395	14430	15542	16770	17903	19064
56	1217	2233	3375	4405	5533	6645	7803	8824	9994	10970	12228	13400	14440	15556	16779	17916	19076
64	1222	2248	3384	4415	5531	6663	7815	8833	10003	10973	12236	13410	14449	15574	16796	17926	19087
77	1236	2255	3393	4422	5544	6667	7828	8848	10012	10988	12251	13418	14458	15584	16806	17935	19102
88	1241	2269	3404	4430	5555	6688	7839	8855	10021	10998	12262	13427	14467	15595	16816	17944	19123
97	1248	2272	3413	4445	5567	6696	7847	8865	10032	11008	12273	13436	14478	15604	16824	17954	19134
103	1253	2281	3423	4463	5574	6707	7857	8873	10041	11017	12287	13444	14481	15615	16832	17967	19147
114	1255	2299	3431	4472	5582	6710	7862	8883	10046	11031	12295	13454	14491	15623	16842	17977	19157
116	1266	2303	3434	4481	5593	6717	7871	8897	10057	11049	12310	13460	14501	15631	16854	17984	19167
130	1277	2311	3443	4490	5601	6724	7878	8909	10060	11064	12323	13473	14510	15641	16864	17996	19175
138	1291	2316	3452	4505	5625	6733	7886	8929	10068	11067	12334	13485	14523	15652	16877	18009	19184
161	1303	2322	3461	4516	5632	6745	7900	8938	10076	11077	12344	13494	14533	15668	16885	18016	19194
173	1306	2344	3472	4522	5642	6755	7908	8947	10086	11084	12355	13503	14542	15686	16892	18028	19203
183	1321	2350	3480	4532	5649	6763	7918	8956	10095	11095	12368	13509	14551	15694	16901	18037	19214
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
982	1995	3155	4180	5286	6409	7568	8606	9731	10769	11947	13187	14210	15301	16536	17670	18314	19974
992	2001	3169	4191	5291	6417	7576	8614	9752	10778	11963	13199	14219	15312	16544	17676	18324	19984
1002	2003	3176	4199	5296	6430	7598	8623	9763	10783	11975	13208	14228	15322	16552	17687	18333	19991
1013	2014	3188	4203	5305	6441	7610	8631	9774	10794	11983	13219	14234	15331	16560	17696	18343	19998
1025	2025	3191	4213	5318	6451	7620	8642	9785	10797	11998	13230	14240	15341	16580	17703	18352	
1028	2030	3201	4223	5336	6457	7629	8654	9796	10805	12008	13237	14252	15350	16590	17718	18361	
1039	2052	3218	4232	5345	6466	7632	8664	9807	10812	12021	13246	14262	15361	16598	17728	18374	
1041	2055	3221	4243	5354	6475	7638	8677	9818	10821	12027	13253	14277	15373	16606	17741	18390	
1053	2070	3228	4252	5363	6486	7644	8682	9832	10829	12043	13264	14287	15383	16615	17752	18391	
1074	2076	3237	4262	5374	6507	7653	8688	9836	10843	12057	13276	14299	15394	16627	17759	18412	
1085	2091	3239	4272	5389	6515	7662	8696	9850	10851	12069	13284	14300	15403	16636	17769	18423	
1098	2098	3253	4284	5395	6524	7671	8703	9871	10861	12084	13293	14318	15411	16649	17790	18433	
1103	2104	3274	4295	5400	6531	7679	8712	9883	10870	12095	13298	14327	15420	16657	17786	18442	
1118	2109	3281	4306	5406	6542	7691	8726	9893	10878	12105	13308	14338	15430	16665	17799	18457	
1128	2111	3293	4314	5415	6552	7711	8733	9904	10889	12116	13310	14345	15444	16674	17810	18464	
1138	2123	3296	4317	5429	6563	7721	8744	9914	10898	12125	13325	14354	15462	16694	17821	18474	
1141	2136	3305	4325	5446	6569	7731	8750	9924	10904	12138	13335	14366	15470	16704	17831	18487	
1149	2152	3322	4334	5455	6578	7737	8761	9934	10913	12148	13342	14369	15482	16711	17841	19003	
1151	2166	3325	4343	5464	6586	7746	8774	9938	10916	12160	13351	14377	15492	16719	17853	19013	
1162	2180	3339	4354	5473	6597	7754	8785	9945	10923	12173	13357	14389	15503	16723	17863	19024	

The Bonds called for redemption will become due and payable on November 15, 1976 at the full principal amount. The Holders of the above bonds should present and surrender them on November 15, 1976 with the November 15, 1977 and subsequent coupons attached at the office of The Bank of Tokyo Trust Co., 100 Broadway, New York, New York U.S.A. 10005 or 20/24 Moorgate, London EC2R 6DH, England, or at the offices of The Bank of Tokyo Ltd. in Paris, Brussels, Frankfurt and Milan, or at the office of The Bank of Tokyo (Holland) N.V., 2nd Floor, AMEV Building, Amstel 344, Amsterdam 1004, or at the Banque International a Luxembourg S.A., 2 Boulevard Royal, Luxembourg. Coupons payable on November 15, 1976 should be detached and collected in the usual manner.

Interest on the Bonds so called for redemption will cease to accrue from and after the redemption date, to wit, November 15, 1976.

THE BANK OF TOKYO TRUST COMPANY
as Fiscal Agent

October 7, 1976

N. Atlantic airlines lost £300m. last year

By Michael Donne,
Aerospace Correspondent

SCHEDULED AIRLINES flying the North Atlantic air route last year collectively lost a total of $526m. (over £300m.), according to a study prepared by the International Air Transport Association. The charter airlines probably also lost considerable sums.

In a presentation to the U.S. Civil Aeronautics Board, the IATA's special investigator of the North Atlantic problem, Mr. Michael Dargan, formerly the chief executive of Aer Lingus, said that among ways in which this situation might be improved was a new and simplified fares structure for the route.

This would be based on three classes of traffic—first, economy and a new, cheaper "vacation class," replacing the present multiplicity of fares which serves only to confuse the travelling public.

Mr. Dargan said that for both the scheduled and charter airlines, the position was unhealthy to the point of the airlines' survival being in question. "The present renewed growth in traffic and higher load factors will not solve the problem."

What was needed was a new unity of purpose among the Governments and regulatory authorities of the countries on both sides of the Atlantic, together with a new pricing structure that would satisfy both the airlines and the travelling public.

Urgency

"There is an urgency now about the need for pricing agreements. Heretofore, cost savings through technical innovations (such as new types of aircraft), and sustained phenomenal market growth, kept the airlines healthy.

"Now, they must rely on more normal commercial responses. At the same time, the problems are assuming unusual dimensions—fuel price increases, inflation, recession and currency changes. The present near-paralysis in pricing policies asks for a new initiative."

This might take the form of the airlines, their associations such as IATA, and the regulatory bodies getting together to try to establish the right environment in which new pricing agreements could be agreed.

"Feather-bedding would not be the objective. Let the targets set for the airlines be as stiff as the public interest requires. Let the controls be as rigorous as the regulatory authorities deem prudent. And let the task in reaching agreement and reaching profits be a practical one."

Most importantly, however, Mr. Dargan stressed the need for flexibility of approach by governments, airlines and regulatory bodies.

"I fear that if IATA and the governments continue to attempt to define everything in a very rigid way we may end up with ultimate failure to have any agreement at all."

Mr. Dargan also stressed the need for an orderly regulation of capacity—the number of seats offered on the route. "Disorderly use of capacity on the North Atlantic is a waste of scarce resources of fuel and money."

This is covered by scheduled and charter airlines, however. "We will not have profitability unless capacity policies cover both scheduled services and charter services," especially since both types of services were competing for the same market.

Singapore Hilton offer

By H. F. Lee

SINGAPORE, Oct. 6.

THE CHAIRMAN and managing director of Far Eastern Hotels Development (FEH), Mr. Cho Jock Kim, has offered to buy up all FEH shares held by the public at 80 Singapore cents per share.

The move by Mr. Cho who currently is on a S$1m. bail on a criminal breach of trust charge involving S$2m. of FEH property is the latest sequel in the dispute between FEH—owner of the 24-storey Singapore Hilton—and the Stock Exchange of Singapore over a number of questionable deals by the company.

The offer price of 80 Singapore cents against the par value of S$1 is 52 Singapore cents below the last published net tangible assets per share of S$1.32.

The last transacted price prior to its suspension by the Stock Exchange on January 5 this year was 64 Singapore cents.

FEH has already approached the Securities Industry Council (SIC) whose sanction is required, for permission to make the acquisition. The SIC, however, has yet to reply to its proposal.

Based on the 1974 annual report, Mr. Cho owns 18.2m. FEH shares which means that if his offer is approved, he would have to pay out about S$18m. to require the remaining 22.8m. shares.

This move will be tantamount to getting the company delisted from the Stock Exchange and, hopefully, put an end to the troubles with the Stock Exchange.

BASLE STOCK EXCHANGE

A century of trading

BY JOHN WICKS

BASLE has just been celebrating the centenary of its stock exchange. On July 1, 1876, the newly formed chamber of commerce and its bank section inaugurated an open-bidding stock market in the Vintners' Guildhall — thus pipping Zurich to the post, to the delight of all good Bâlois.

The first Swiss bourse opened in Geneva in 1850 and controlled securities trading began in Basle with the issue of bill brokers' regulations five years later and the formation of a stock exchange association — which met for an hour a day at the telegraph office — in 1866.

Fine fettle

As a leading Basle banker ruefully puts it, the rôle of the city as a major European financial centre has become "rather peripheral" compared with the 1870s. That Zurich is very definitely a major European financial centre is even harder to bear.

Nevertheless, the Basle Stock Exchange is in fine fettle, with a turnover which reached Sw.Frs.18.95bn. (£4.44bn.) in 1975 and Sw.Frs.11.74bn. (£2.75bn.) in the first half of this year alone. Securities listed include 143 Swiss shares, 128 foreign shares and a total of more than 1,600 bond issues, including over 300 foreign loans.

The obvious question still arises as to why there should be a stock exchange in Basle at all. After all, Zurich — with a turnover of more than four times that of Basle — is only 55 miles away, while there is a major bourse in Geneva and smaller operations in Berne, Lausanne and even such places as Neuchâtel and St. Gall.

There was a lot of talk about this in the 'sixties in Switzerland when Zurich was wondering aloud whether the "provincial" stock markets should not limit their activities to local securities. But the Basle Government responded with a clarion call to the cause of federalism, claiming that centralisation would run counter to cantonal and national interests, and found a perhaps rather unlikely ally in the president of the Zurich Stock Exchange. Outside support then came from the International Federation of Stock Exchanges, which said a federal system was just as valuable as a centralised one when arbitrage was as well developed as it was in Switzerland.

The best argument for the continued existence of the Basle bourse is the success it has already achieved. There is a lot of business to go round on the Swiss capital market and the Basle exchange is growing fast. Its 1975 turnover of Sw.Frs. 18.95bn., for example, compared with an admittedly weak Sw.Frs. 11.56bn. in the previous year and a previous peak of Sw.Frs. 14.05bn. in 1972.

Basle Bourse.

The bourse has also been something of a pioneer in recent years. In the early 1970s it was the first Swiss stock exchange to list open-ended mutual funds. Rather later it introduced the rule by which trading in a bond issue is suspended for 15 minutes as soon as the price varies by 5 per cent. from one transaction to the next and in January, 1975 it also became the first of the Swiss bourses to extend from two to three months the maximum duration of forward and premium transactions. Last year, too, Basle investigated the possibility of opening a Chicago-style options business—but decided to leave pioneering here to the Amsterdam stockbrokers.

At present, what could develop into an internationally significant move is the broadening of the base for stock exchange membership. Hitherto, membership—controlled by Canton Urban Basle, which has been responsible for the bourse since 1897—has been limited to "persons and firms" with their domicile within the canton. To-day, 20 banks are authorised to deal on the exchange and 28 to act as stock dealers. Last December, the cantonal council amended the law on securities trading and stock-market operations to permit concessions to be granted in exceptional cases to licensees based outside the city-State.

The immediate objective was the admission of firms from neighbouring cantons in North-Western Switzerland such as Rural Basle, Argovia and Soleure. On a longer-term basis, however, Basle appears to be hoping for a wider and border-crossing regionalisation. Extremely aware of its position at the junction of the Swiss, German and French frontiers, the city is hoping here and elsewhere for a return to the pre-World War I conditions in which Basle was a very important regional centre internationally in the Upper Rhine area. This will be a long process, however, and some Basle bankers feel talk of internationalisation is little more than pie in the sky.

Growing

In the meantime, Basle's bourse goes on growing. The opening of a second trading ring for bonds in 1973 is considered only an interim solution, since new premises will sooner or later have to be created. Apart perhaps from Basle's local capital gains tax (already discontinued in Zurich), there seems to be nothing in the way of an expansive second century for the Basler Börse.

Certainly, the responsible city fathers seem keen to promote the stock exchange. At the centenary celebrations, Basle councillor, Dr. Edmund Wyss—who presides over the stock exchange commission—said that not only was a "thorough modernisation of stock exchange law" planned but also that the canton felt bound to provide the bourse with larger premises and the necessary technical installations.

VONTOBEL EUROBOND INDICES 14.5.76 = 100%

PRICE INDEX	5.10.76	28.9.76	YIELD INDEX	5.10.76	28.9.76
DM Bonds	100.76	100.64	DM Bonds	95.55	97.08
HFL-Bonds & Notes	93.47	93.55	HFL-Bonds & Notes	117.41	117.24
U.S.$ St. Bonds	101.31	101.16	U.S.$ St. Bonds	97.57	98.01

This announcement is published solely for information.

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in the United States

September 23, 1976

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Daiwa Securities America Inc.   Equitable Canada Incorporated   Midland Doherty Inc.   The Nikko Securities Co. International, Inc.
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Legg Mason/Wood Walker Div. of First Regional Securities, Inc.   Lévesque, Beaubien Inc.   McDonald & Company
Pitfield, Mackay & Co., Inc.   Prescott, Ball & Turben   Rand & Co., Inc.
The Robinson-Humphrey Company, Inc.   Shuman, Agnew & Co., Inc.   Stone & Youngberg
Stuart Brothers   Burton J. Vincent, Chesley & Co.   Crang & Ostiguy Inc.
Freeman Securities Company, Inc.   Raffensperger, Hughes & Co. Incorporated   Thomas & Company, Inc.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Down again as mid-session rally fails

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 6.

PRICES continued yesterday's 11-point decline in early trading on Wall Street to-day, as sentiment was undermined by fears of the impact the slowing down of the U.S. economy could have on corporate earnings in the third and fourth quarters.

Closing prices and market reports were not available for this edition.

The Dow Jones Industrial Average fell back at the opening to show a *five-point fall at 11 a.m.* A rally developed around mid-day, but after lifting the index three points this petered out, and the average fell back to 961.44 with a loss of 5.32 by 2 p.m.

The NYSE All Common index followed a similar pattern, but remained 5 cents ahead at $55.15 at 2 p.m.

Volume, at 13.34m. shares was 260,600 down on yesterday with declines again leading advances but by only a small margin.

Allied Chemical, fined $13m. for *pollution violations, slipped $⅜ to $36⅞*, although it had been down *a point early in the session.*

Ford Motor gained $¼ to $57⅞ on a tentative settlement of a three-week-old strike by the United Auto Workers.

Aluminum Company of America dropped $1 to $56. Earnings esti*mates for aluminum companies* were trimmed by an analyst in a *published report.*

Dow Chemical, a volume leader, lost $¼ to $40⅞. Earlier in the week it forecast lower earnings for the third quarter.

International Minerals and Chemical was down $1¼ to $37 after forecasting lower earnings. **Esmark Inc.** lost $1 to $31⅛ and **Owens-Illinois** $1½ to $55⅛.

Prices on the **AMERICAN SE** pointed lower, with the index off *0.20 at 100.36 at 2 p.m.* Volume was 1.28m. shares (1.21m.).

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
General Electric	300,300	52	−⅛
Dow Chemical	289,400	41⅛	−⅜
Nat Semi-Conductor	270,000	22¼	−¼
Whittaker	258,600	6⅛	−⅛
U.S. Steel	250,200	47⅛	−⅜
Chrysler	180,500	20⅛	−¼
General Motors	179,400	71½	+⅛
Exxon	177,100	53⅞	−⅛
Utah Intnl	171,100	[illegible]	—
Am. Tel. & Tel.	170,100	60	−¼
Deere Co	169,900	30⅞	−¼
ASARCO Inc.	130,400	15⅛	+⅛

OTHER MARKETS

Canada easier

Prices eased in quiet, early trading on Canadian stock markets yesterday, all the main sector indices except Golds—up 1.38 at 242.89—were showing losses.

Papers dipped 0.52 to 118.45, Western Oils 0.50 to 204.39, Banks 0.39 to 251.47, Industrials 0.37 to 182.37, *Utilities 0.36 to 145.06 and* Base Metals 0.23 to 82.13.

Among actively-traded issues, **Alcan** fell $C¼ to $C23⅛ on reports that striking workers have *borrowed $2m. from the* United Steel Workers of America.

Massey Ferguson was up $C⅛ at $C22⅛, but **Domtar** slipped $C¼ to $C20⅞.

PARIS—Shares declined over a broad front in thin trading, with investors holding back pending to-day's nation-wide strike, which could also affect the bourse.

The bourse index hit a new "low" for 1976.

Biggest losses were *recorded* by **Bail-Equipement, Comptoirs Entrepreneurs, UCB, Schneider, BSN, CDC, Pernod, Bou Ygues, Travaux de Marseilles, Dumez, Kleber, Poclain, Perrier, PLM, Ariomari, CFAO, Legrand, Moulinex, SAT, TRT,** *Denain,* **SNPA, CFP, Cotelle, Belon, Roussel, CLE, Des Eaux, Air Liquide and Oreal.**

BRUSSELS—Prices declined on a broad front in lively trading. The general index hit a new 1976 *"low."*

In lower Steels, **Arbed** fell B.Frs.35 to 3,385. In mixed Non-ferrous Metals **Hoboken** gained B.Frs. 115 to 3,395, but **Union Miniere** was off B.Frs. 34 to 1,018.

Among lower Chemicals, *Gevaert dropped B.Frs. 20 to* 1,078, while in declining oils **Petrofina** lost B.Frs. 135 to 4,250.

GERMANY—Lower across the board, as investors showed no interest in taking positions, due mainly to yesterday's U.S. stock *market fall, the decline on the* domestic bond market and uncertainty on the currency *markets.* The Commerzbank index fell 10.5 to a new 1976 *"low" of 724.9.*

Thyssen fell DM1.60 to *DM109.20* and **Klockner-Werke** DM4.50 to DM106.50 among Steels.

Leading Banks and Electricals shed between DM2 and DM3.60.

AMSTERDAM—*Sharply lower* in slow trading, reflecting the weakness of the dollar and on Wall Street. The Industrial index fell to a new low for the year.

Among Internationals, **Akzo** *lost* 90 cents to Fls.28. **Philips** 90 cents *to Fls.25.90.* **Royal Dutch** Fls.2.30 to Fls.110.60 and **Unilever** Fls.3.90 to Fls.107.30.

Insurances were mostly steady, but **Amev** declined Fls.1.20 to *Fls.46.80xd.*

In Dutch Industrials **Heineken Beer** *fell Fl.8.50 to* **Fls.126.50. Ahold** Fls.2 to Fls.78. **OCE** Fls.3.80 to Fls.165. **Pakhoed** Fls.1.50 to Fls.80.50 and **VMF Stork** Fls.6 to Fls.82.

MILAN—Prices tumbled for the third consecutive session, under *the pressure of heavy sales.*

Losses averaged 2.5 per cent., with peak drops of up to 5 per cent. for some "blue chips."

In three days this week the stock has dropped more than 5 per cent. and yesterday hit a new low for the year.

Fiat dropped L61 to L1,439 and **Montedison** L16.75 to L360.25, while **Pirelli Spa** fell L33 to below its par value at L969.

Not a single issue bucked the trend.

VIENNA—*Generally steady.*

OSLO—Banking and Insurances quiet. Industrials and Shippings weaker.

SWITZERLAND — Losses pre*dominated* in slack trading. Prices declined in all sectors, although changes were generally small. **Hoffman La Roche** fell back Sw.Frs.750 to Sw.Frs.79,750 and **Nestle** Sw.Frs.30 to Sw.Frs.3,360.

COPENHAGEN — Generally higher in moderate dealings. Banks closed fractionally higher, but Communications and Insurances were irregular, with Great Northern Telegraph among gainers. Commodities and shippings moved up too.

TOKYO—Down slightly, as "blue chips" lost ground, following the overnight fall on Wall Street. Volume totalled 210m. *shares (250m.).*

Electricals led the decline, with **Pioneer** losing Y40 to Y2,280 and **Sony** Y30 to Y2,580.

Paper-pulps, Printing and Inks moved up in early trading, but generally turned lower on late *profit-taking.*

HONG KONG — Lower in increased trading. Volume totalled $HK45.42m. ($HK19.19m.).

Hong Kong Bank lost 30 cents to $HK18.90. **Hong Kong Land** 15 cents to $HK7.05, **Jardine** 20 *cents* to $HK18, **Swire Pacific "A"** 20 cents to $HK9.80, **China Light** down 20 cents to $HK25.70. **Hong Kong Telephone** 40 cents to $HK27 and **Hong Kong and Kowloon Wharf** 20 cents to $HK17.00.

JOHANNESBURG—*Golds* were harder across the Board, reflecting higher bullion indications, dealers said.

Trading was quiet, but Heavyweights gained up to *R1.25* and others up to 20 cents.

AUSTRALIA—Lower on some selling pressure in sluggish trading.

BHP fell 18 cents to $A7.40 and its Rights 12 cents to $A3.30.

Myers picked up 2 cents to $A2.30 on its higher profits.

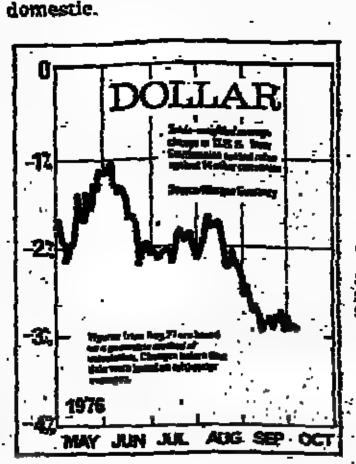
In Mines **Pancontinental, Bougainville, North BH, Queensland** and **Kathleen** eased *slightly* while **Utah** dropped 13 cents to $A4.12, but **Poseidon** and **Robe River** rose slightly.

Pound falls again

Sterling fell further in the foreign exchange market yesterday, to touch record low levels *on the Bank of England* calculation of its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, which ended at 43.5 per cent., equal to the previous record, and in early dealings and at noon reached 43.7 per cent. Business was modest, but *swings in rates* were substantial. Behind the move*ments* was the labour news from the motor industry, which depressed the pound in earlier dealings, but swung in favour of the pound during the day. In terms of the *U.S. dollar*, the pound fell 1.25 cents on balance *to $1.6515-1.6525.* The pound had fallen overnight in New York to $1.6510-1.6530, and in early London dealings touched $1.6410-1.6420, before falling away to its day's low of *$1.6370-1.6380.* By noon, however, a level of $1.6410-*$1.6420 had been recovered*, and $1.6540-1.6550 was touched at one point in the afternoon.

The pound's weighted depreciation on the Morgan Guaranty basis (on noon rates in New York) showed a widening to 43.17 per cent., from 42.56 per cent. The dollar's depreciation on a *similar basis widened a shade*, to 2.92 per cent., from 2.90 per cent., while most Continental currencies showed modest changes, though there were fair gains for currencies such as the Dutch guilder and Swiss franc. The French *franc weakened marginally.*

Gold rose $⅞ an ounce in the London bullion market, to $115-$115¾, in fair business. It opened at $114⅞-115¼, and fell for a time in the morning to $114¼-115¼. The *premium on* the Krugerrand over its gold content rose to 3.6 per cent., from 3.4 per cent., in international dealings, but fell to 4 per cent., from 4.6 per cent. in domestic.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Oct. 6	Oct. 4
Sterling	0.692010	0.691200
U.S. dollar	1.15704	1.15624
Belgian franc	45.3543	45.6124
Deutschemark	2.83394	2.83279
French franc	5.70912	5.72464
Italian lira	974.864	976.011
Japanese yen	338.302	332.072
Dutch guilder	2.95277	2.96055
Swedish krone	4.93825	4.94177
Swiss franc	2.84481	2.83799

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Oct. 6	Oct. 5
Gold Bullion (a fine ounce)		
Close	$115-115¾	$114¼-115
Opening	$114⅞-115½	$114½-115
Morning fix'g	$114.75 (£69.608)	$114.30 (£68.288)
Afternoo'n fix'g	$115.25 (£70.167)	$114.45 (£68.590)
Gold Coins domestically		
Krugerrand	$119-121 (£72-73)	$119-121 (£71½-72½)
New Sov'r'gns	$42-44 (£25½-26½)	$42½-44¼ (£25½-26½)
Old Sov'r'gns	$41-43 (£25-26)	$40½-42½ (£24½-25½)
Gold Coins (Intern'nly)		
Krugerrand	$118½-120½ (£71¼-73¼)	$118-120 (£70¾-71¾)
New Sov'r'gns	$42-44 (£25½-26½)	$41½-43½ (£25-26)
Old Sov'r'gns	$36-38 (£22-23)	$36-38 (£21½-22½)
$20 Eagles	$190-193	$187-190
$10 Eagles	$100-103	$98-101
$5 Eagles	$66-69	$66-69

FOREIGN EXCHANGES

Oct. 6 1976	Bank Rates %	Market Rates: Day's Spread	Market Rates: Close
New York	5½	1.6370-1.6550	1.6515-1.6525
Montreal	9½	1.5875-1.6125	1.6085-1.6095
Amsterdam	7	4.15-4.21	4.19½-4.20½
Brussels	9	60.85-61.70	61.50-61.70
Copenhagen	11	9.88-9.98	9.93¼-9.94¼
Frankfurt	3½	3.98½-4.04½	4.02¾-4.03¾
Lisbon	6½	50.85-51.5	51.25-51.45
Madrid	7	111.25-112.35	111.95-112.15
Milan	15	1,379-1,390	1,384-1,386
Oslo	6	8.69-8.77	8.75½-8.76½
Paris	10½	8.08-8.15	8.13¾-8.14¾
Stockholm	6	6.95-7.02	7.00½-7.01½
Tokyo	6½	470-482	475-477
Vienna	4	28.2-28.81	28.65-28.80
Zurich	2	3.99-4.05	4.03½-4.04½

* Basic discount. ‡ Rates given are for convertible franc; financial franc 61.40-61.55.

OTHER MARKETS

			Notes Rates
♦Argen'na	240.05-240.25	Argentina	425-535
Australia	1.4127-1.4328	Austria	28-29½
Brazil	18.52-18.72	Belgium	63-65
Finland	6.52-6.55	Brazil	[illegible]
Greece	60.765-[illegible]	Canada	160-162
Hong Kong	[illegible]	Denmark	[illegible]
Iran	[illegible]	France	8.05-8.20
Kuwait	0.472-0.482	Germany	3.95-4.10
Luxembg	61.0-61.70	Greece	[illegible]
Malaysia	4.1585-4.1630	Italy	1375-1410
N. Zealand	1.6713-1.6914	Japan	[illegible]
Saudi Arab.	[illegible]	Netherl'ds	4.15-4.30
Singapore	[illegible]	Norway	[illegible]
S. Africa	[illegible]	Portugal	[illegible]
U.S.—		Spain	[illegible]
Canada		Switz'land	[illegible]
C$1—		U.S.	[illegible]
U.S. cents	[illegible]	Yugoslav'a	[illegible]

* Basic discount. ‡ Given rates are for dealers. ♦ Rate given is Official Rate: BCRA rate 419.70-419.90.

EXCHANGE CROSS-RATES

Oct. 6	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfurt†	—	[illegible]	48.42-49	6.63-64	[illegible]	[illegible]	[illegible]
N. York†	40.24-26	—	[illegible]	[illegible]	1.6510-30	[illegible]	[illegible]
Paris	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	1.6515-25	[illegible]	61.60-70	—	[illegible]	[illegible]
Am'rd'm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal†. U.S. $=97.40-4[illegible] Canadian cents.
Canadian $ in New York†. C $=102.64-66 U.S. cents. U.S. $ in Milan 838.0-840.0
Sterling in Milan 1,379.75-1,381.25. †Rates for Oct. 5 only.

EURO-CURRENCY INTEREST RATES*

Oct. 6 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
Short term†	[illegible]	[illegible]	[illegible]	13-15	[illegible]	7-11¼
7 days notice	16-17	[illegible]	[illegible]	15-16	[illegible]	[illegible]
Month	16⅞-17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	17-17⅜	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	17-17½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rates: two-day 9½-10 per cent.; seven-day 10-10½ per cent.; one-month 10½-10¾ per cent.; three-month 11⅛-11⅜ per cent.; six-month 11⅜-11⅝ per cent.; one year 11⅛-11⅜ per cent.

Longer-term Eurodollar deposits: two years 7-7⅛ per cent.; three years 7½-7⅝ per cent.; *four years 8-8⅛ per cent.; five years 8⅜-8½ per cent.*

The following nominal rates were quoted for London dollar certificates of deposit: one-month 5¹⁄₁₆-4¹⁵⁄₁₆ per cent.; three-month 5⁷⁄₁₆-5⁵⁄₁₆ per cent.; six-month 5⅝-5½ per cent.; one year 6³⁄₁₆-6¹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

FORWARD RATES

	One Month	Three month
New York	1.70-1.60 c. pm	4.90-4.70 c. pm
Montreal	1.10-1.00 c. pm	3.10-3.00 c. pm
Amst'dam	1½-½ c. pm	4½-3½ c. pm
Brussels	90-110 c. dis	70-90 c. dis
Cop'nhg'n	8½-10½ ore dis	15-17 ore dis
Frankfurt	4¼-3¼ pf. pm	15-12 c. dis
Lisbon	50 c.pm-10 c.dis	par-100 c. dis
Madrid	30-180 c. dis	400-500 c. dis
Milan	25-35 lire dis	75-85 lire dis
Oslo	1ore pm-1 ore dis	[illegible]
Paris	5-4 c. pm	11¼-10¼ c. pm
Stockh'lm	9½-11½ ore dis	10-12 ore dis
Vienna	[illegible]	[illegible] gro pm
Zurich	5¼-4¼ c. pm	15¼-14¼ c. pm

Six-month forward U.S. dollar 8.80-8.70c pm. And 12-month 16.85-14.50c pm.

Indices

NEW YORK—DOW JONES

	Oct. 5	Oct. 4	Oct. 1	Sept. 30	Sept. 29	Sept. 28	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	966.76	977.98	979.89	990.19	991.12	984.65	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
H'me Bonds	89.59	89.45	89.55	89.59	89.19	89.29	89.66 (23/9)	85.55 (5/1)	—	—
Transport	212.19	214.86	215.10	217.54	217.22	218.76	231.47 (4/1)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.90	88.00	87.74	87.75	87.64	88.15	90.02 (21/9)	84.8 (26/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	19,200	12,760	20,920	14,700	18,090	20,440	—	—	—	—

* Basis of index changed from July 1.

	Oct. 4	Sept. 24	Sept. 17	Year ago (approx.)
Ind. div. yield %	3.92	3.80	3.85	4.67

STANDARDS AND POORS

	Oct. 5	Oct. 4	Oct. 1	Sept. 30	Sept. 29	Sept. 28	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	116.57	117.29	118.80	119.07	118.39	118.81	120.92 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
Composite	103.23	104.92	104.17	105.24	105.87	105.92	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Sept. 29	Sept. 22	Sept. 15	Year ago (approx.)
Ind. div. yield %	3.46	3.40	3.49	3.86
Ind. P/E Ratio	11.97	12.21	11.82	11.53
Long Govt. Bond yield	5.25	5.18	5.22	6.10

N.Y.S.E. ALL COMMON

Oct. 5	Oct. 4	Oct. 1	Sept. 30	1976 High	1976 Low
55.20	55.62	55.70	56.25	57.51 (21/9/76)	47.06 (2/1/76)

Rises and Falls	Oct. 5
Issues Traded—1,886	Up—399
Down—1,033	Same—454
New Highs 41	New Lows 48

MONTREAL	Oct. 5	Oct. 4	Oct. 1	Sept. 30	1976 High	1976 Low
Industrial	181.59	182.62	183.97	184.60	207.35 (19/5)	176.92 (2/1)
Combined	182.22	183.50	184.00	184.55	189.78 (20/5)	175.87 (2/1)
TORONTO Industrial	182.74	185.66	184.51	184.94	197.46 (20/2)	178.01 (2/1)
JOHANNESBURG Gold	138.0	139.3	140.9	141.5	226.7 (12/3)	115.4 (29/9)
Industrials	187.8	188.4	189.9	187.8	216.0 (21/6)	177.1 (27/9)

	Oct. 6	Previous	1976 High	1976 Low
Australia (a)	461.66	465.53	[illegible] (19/3)	446.54
Belgium (b)	91.07	92.17	115.12 (5/2)	91.07 (6/10)
Denmark (c)	104.55	104.51	117.70 (9/6)	[illegible]
France (d)	[illegible]	[illegible]	[illegible]	[illegible]
Germany (f)	724.9	[illegible]	[illegible]	724.9 (6/10)
Holland (g)	79.7	[illegible]	[illegible]	79.7
Hongkong (h)	[illegible]	[illegible]	[illegible]	[illegible]
Italy (k)	[illegible]	[illegible]	[illegible]	[illegible]
Japan (m)	[illegible]	[illegible]	[illegible]	[illegible]
Singapore (n)	[illegible]	[illegible]	[illegible]	[illegible]
Spain (p)	79.07	79.75	100.75 (7/5)	79.07 (6/10)
Sweden (q)	382.79	385.19	476.85 (10/5)	382.79 (6/10)
Switz'rl'd (r)	272.5	274.5	299.8 (12/5)	[illegible]

Indices and base dates (all base values 100 except NYSE All Common—50 and Standards and Poors—10). (a) Sydney All Ord. (b) Belgian SE 31/12/63. (c) Copenhagen SE 1/1/73. (d) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds. 40 Utilities, 40 Finance and 20 Transport. (v) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

♦ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated
♦ Frs.500 denom. unless otherwise stated
† Yen 50 denom. unless otherwise stated
$ Price at time of suspension
a Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—131% (128¼%)

NEW YORK

Stock	Oct. 6	Oct. 4
Abbot Labs	52	52⅞
Addressograph	10⅝	10⅛
Aetna Life & Cas.	32¾	32½
Air Products	35¼	35¼
Airco	28⅝	29
Alcan Aluminium	25	25⅝
Alcoa	57	59¼
Allegheny Ludlm.	34⅝	34¾
Allegheny Power	21	21
Allied Chemical	37⅛	37½
Allied Stores	42⅞	43¼
Allis Chalmers	25⅞	26⅛
Amax	57	57
Amerada	25¾	25⅞
Amer. Airlines	12¾	13
Amer. Brands	42	42⅝
Amer. Broadcast	34⅛	34⅝
Amer. Can	37⅞	38⅛
Amer. Cyanamid	27⅛	27½
Amer. Elec. Pow.	23⅛	23½
American Express	38⅞	39⅛
Amer. Home Prod	33⅝	33⅞
Amer. Medical	11	11⅛
Amer. Motors	4⅛	4⅛
Amer. Nat. Gas	39¼	39¼
Amer. Standard	37⅞	38⅛
American Stores	29¼	29½
Amer. Tel. & Tel.	60	60¼
AMF	19⅜	19¼
Ampex	6⅜	6⅜
Anaconda	40⅛	40½
Anchor Hocking	31⅛	31⅛
Anheuser Busch	28	27⅞
Armco Steel	29⅜	29⅞
A.S.A.	15⅞	15⅞
Asamera Oil	9	9
Asarco	15½	15⅝
Ashland Oil	36½	36½
Atl. Richfield	56¼	56¾
AVC	9⅞	9⅞
Avco	14⅜	14⅜
Avnet	11	11⅛
Avon Products	47	47⅞
Balt. Gas Elect.	28	28
Bank America	24⅝	24⅝
Bankers Tr. N.Y.	33½	34⅝
Barber Oil	29½	29⅞
Beatrice Foods	27⅛	27¾
Becton Dickinson	35⅞	36⅝
Bell & Howell	19⅝	19½
Bendix	40¾	41⅛
Benguet Cons "B"	1½	1½
Bethlehem Steel	37½	38⅛
Black & Decker	19¾	20⅛
Boeing	46¼	46⅞
Boise Cascade	27	27
Borden	32⅝	32¾
Borg Warner	28¼	28½
Braniff Int.	10⅛	10¾
Brascan "A"	10⅞	11
Bristol Myers	71⅛	72⅛
Brit. Pet ADR	16¼	16⅝
Brockway Glass	30⅝	30⅜
Brunswick	16⅝	16½
Bucyrus Erie	27	28
Budd	18½	18½
Bulova Watch	7⅛	7⅛
Burlington Nthn	41¼	42¼
Burroughs	88⅝	89
Campbell Soup	33⅜	34
Canadian Pacific	17½	17⅝
Canal Randolph	7¾	7¾
Carnation	75½	75¼
Carrier & General	15⅞	15⅞

Stock	Oct. 6	Oct. 4
Corning Glass	68	70
CPC Internation'l	44⅞	43¾
Crane	27	27¾
Crocker Nat.	25¼	25½
Crown Zellerbach	39	39¼
Cummins Engine	43¾	44⅝
Curtiss-Wright	17⅝	17⅜
Dana	26⅛	26⅜
Dart Industries	34¾	34½
Deere	30¾	31⅝
Del Monte	27½	28
Deltona	5⅛	5⅜
Dentsply Inter.	31⅞	31⅜
Detroit Edison	14¾	14¾
Diamond Shamrk	68	67½
Dictaphone	9¾	9½
Digital Equip.	150½	150⅝
Disney (Walt)	46	47
Dover Corpn	36¾	37
Dow Chemical	41⅛	42
Dresser	40	40⅝
Du Pont	125⅝	125¾
Dymo Industries	9	9¼
Eagle Picher	34½	36
East Air Lines	8⅝	8⅛
Eastman Kodak	87⅞	88⅝
Eaton	41⅛	41⅜
E G & G	16	16½
El Paso Nat. Gas	14⅝	14⅜
Eltra	27⅞	28⅛
Emery Air Fr'ght	36⅝	36⅞
Emhart	36⅛	36⅝
E.M.I.	3⅛	3⅛
Engelhard Min.	32¾	32¾
Esmark	32⅝	32⅝
Ethyl	36⅞	37
Exxon	55⅛	55⅛
Fairchild Camera	49	48⅞
Fed. Dept. Stores	44¼	45¼
Firestone Tire	22⅛	22¾
Fst. Nat. Boston	24⅝	24⅝
Flexi Van	11⅝	12
Flintkote	19½	19⅝
Florida Power	29¼	29½
Fluor	37¼	38
F.M.C.	23¼	23⅝
Ford Motor	57½	58¼
Foremost Mak.	14⅜	14¾
Foxboro	45⅝	46⅝
Franklin M'nt	32¼	32
Freeport Minerals	28⅜	28⅞
Fruehauf	26¾	27¼
Fuqua Industries	9¼	9½
G.A.F.	14	14
Gannett	39⅝	39¾
Gen. Amer. Inv.	10⅝	10⅛
G.A.T.X.	30	30⅛
Gen. Cable	10¼	10⅛
Gen. Dynamics	50⅝	51¼
Gen. Electric	51¾	52
General Foods	33⅛	32⅞
General Mills	30¾	30⅛
General Motors	71¾	71⅝
Gen. Pub. Util.	19¾	19⅛
Gen. Signal	32⅛	32⅛
Gen. Tel. Elect.	29⅛	29¾
Gen. Tire	25	25¼
Genesco	5⅝	5⅞
Georgia Pacific	33⅜	34
Getty Oil	190¼	189
Gillette	28⅛	28⅛
Goodrich B. F.	26⅝	27
Goodyear Tire	22⅞	23⅜
Gould	25⅝	25⅞
Grace W. R.	28	28

FINANCIAL TIMES SURVEY
Thursday October 7 1976

PENSIONS

Provision of adequate pensions has become a central issue in modern society. In Britain the political approach is now bipartisan and recent legislation has made big strides towards the ultimate goal, but inflation remains a constant problem for both State and private schemes.

Safeguarding the value

By Eric Short

AN ADEQUATE pension is one essential if one is going to enjoy retirement, though it is not the sole requisite. Suitable housing, good health and a positive outlook are equally necessary. But successive Governments since the war have failed to find an overall solution to poverty in old age. The flat rate pension has proved inadequate for many pensioners, of whom over 2m. have had to rely on supplementary benefits to make up their income.

Now the latest attempt, the Social Security Pensions Act 1975, is on the statute book. It seems virtually certain to be implemented, unlike its two predecessors the Crossman and the Joseph Plans, since the Conservative opposition has pledged not to repeal it or make any drastic alterations. This bipartisan approach to pensions has been very welcome after years of treating pensions as a political football.

But will it succeed in completely removing poverty from old age and the need to rely on supplementary benefits? Its chances of doing so look reasonable. The scheme has moved away from flat rate benefits by adding an earnings-related second tier. This combination of flat and earnings-related leads to a pension that expressed as a percentage of salary is higher for the lower earnings.

Thus a person on one-half National Average Earnings (NAE) will get a married couple's pension of 100 per cent. of earnings and so avoid a drop on retirement. If the couple can live at this earnings level, which seems amazing to many, then the pension should keep them above the poverty level.

But will the pension be adequate? This is a different question and it is doubtful whether it will be considered so for the higher paid. Most people would regard a pension as adequate if there were not *too big a drop in income on* retirement. The proposed scheme has a ceiling on benefits, the cut-off point being on earnings at about 1½ times NAE. At this level, a married couple's pension is less than half of pre-retirement earnings. Since two-thirds of final salary is now the accepted norm for pension provision, the State scheme benefits may well fall short of the reasonable expectations of the higher paid.

Memorial

Fortunately, the new scheme envisages a working partnership with good occupational pension schemes and the terms of that partnership provide a lasting memorial to the late Mr. Brian O'Malley. As Minister of State for Social Security until his untimely death earlier this year, he was the person responsible for listening to the views of the pensions industry and ensuring that occupational pension schemes will be able to operate within the new framework on realistic terms.

Employers will be allowed to contract-out their employees from the second earnings-related tier and provide pensions through a private scheme. In this case much higher benefit levels up to the Inland Revenue maximum of two-thirds can be provided, with no ceiling imposed.

This provision of higher benefits is the main plank on which pension consultants are advocating occupational schemes. The other advantages being highlighted by consultants are that there are gaps in the State scheme which are covered by private schemes. In particular they provide lump sum payments in the event of death in service, or on retirement.

However, the choice facing the employer is not an easy one. There is a later article in this survey dealing with the subject of contracting-out and the factors to be considered. What does need emphasising is the comparatively short period in which to complete all the required procedures. April 1978 *may still seem a long way off*, but employers have to consult with employees and their trade union representatives, as well as consider a host of complex detail and comply with a mass of regulations.

The other revolutionary features of the new State scheme are the complete inflation-proofing of pensions and the equal status of women with men. This latter concept is also examined in detail in a later article, but it does have cost implications for employers in occupational schemes — women will require higher contributions for the same pension as men. This cost differential could have been virtually eliminated had the Government taken the opportunity to bring *in equal retirement ages* in the new State scheme. The Occupational Pensions Board has pointed out that true equality cannot be achieved until there is equal retirement ages.

But the memorandum submitted last month to the Equal *Opportunities Commission* by the Department of Health and Social Security on equal retirement ages stated quite bluntly that it would cost £2bn. a year to bring the men's age down to 60. It also poured cold water on the idea of raising the women's age to 65 and it was not very enthusiastic about flexible retirement ages. The impression conveyed was that the DHSS, at least, was quite content to leave the retirement ages as they are —65 for men and 60 for women —at least for the foreseeable future.

Inflation-proofing is now an established feature of the *present basic State pension*, with a revaluation at least once a year in line with earnings rather than prices, if the former is more favourable. The new scheme proposes to keep this feature for the basic tier, but to revalue the second tier pension in line with prices only.

The operation of indexing has to date revealed two major flaws in the system—no precise rules *laid down for revaluing* and the inordinate length of time to implement an uprating so that any rise has been eroded away in *real terms by the time it* becomes payable. This subject needs a further rethink by the Government, and the trade unions are pressing for this.

The impact of inflation on private funded schemes has been serious indeed. Having a pension based on final salary means that the starting level of the pension is revalued each year in line with the individual's earnings. Thus the investments of the fund have to keep pace with inflation or else the em*ployer has to pay higher contri*butions to cover the deficit. This happened in the 1974 bear market and the continued dullness of equities is still worrying many pension fund managers.

Once pensions become payable, unless they are regularly uprated, their value quickly depreciates when inflation is in double figures. But the number of private schemes which do this is still very small, although it is now an established feature of public service schemes. There is a danger that in future *there will be two pension* worlds—those with an index-linked pension and those without. The controversy over the linking of civil service pensions to the Retail Price Index, resulting in massive increases at a time of pay limitation, has shown the extent already of these two worlds.

But employers would be taking on a very heavy additional financial burden by guaranteeing inflation-proofed pensions. The subject needs very serious consideration. One possible solution could be to *accept half salary on retirement* that is index-linked, rather than two-thirds pension with no revaluation.

The lack of buoyancy in the investment field is possibly the biggest problem facing pension fund managers at the moment. The threats of investment direction by various Left-wing members of the Labour Party and some trade unionists must add to the uncertainty and make employers wary of funded schemes since they pick up the tab at the end of the day.

The other disturbing trend is the growing volume of complex legislation now affecting all aspects of pension schemes. The present Government feels that the security of pension schemes can only be brought about by passing the appropriate laws. Pension fund managers regard this trend as limiting the freedom under which the private pension industry has flourished in the past. Employers who opt for the State scheme will be buying an inflation-proofed investment and also avoiding the complex administration involved.

Nothing

Finally, what will this new scheme, hailed as a milestone in pensions history, do for the present pensioners and those shortly to retire? The answer is precisely nothing. The scheme will only be paying full benefits to those who retire in 1998 and later. From 1978 benefit levels will increase gradually to the full maturity value. The Government, rightly or wrongly, has decided that this is the only way to change from flat rate to earnings-related pensions without putting too great a strain on the economy.

However, it must appear to present-day pensioners as very unfair that future generations of pensioners will receive higher pensions in relation to NAE than they do. Given the current economic situation, a simple solution to the demands of current pensioners does not seem possible. The Government still has a lot of unsolved pensions problems on its plate.

Contracting-out provisions

ALL GOVERNMENT spokesmen in discussing the new State pension scheme have laid particular emphasis on the importance of the partnership between State and occupational schemes. They have continually stressed *the aim of encouraging* good occupational schemes—and the 1975 Act and its accompanying regulations sets out the terms of that partnership. But *the accent* has always been on the word "good." The provision of schemes providing a low level of benefit is over, at least as far as contracting-out of the State scheme is concerned, a move generally welcomed by the pensions industry.

Designed

The minimum conditions which pension schemes have to *provide in order* to qualify for contracting-out are given in the accompanying table. They may look complex to the layman, but they are designed to ensure that no employee in a contracted-out scheme will be no worse off than if he had stayed in the State scheme, whether he stays with the company to retirement or whether he leaves before that date.

This seems very reasonable to the layman and the pensions industry accepted the principle. The main concern was that the employer should not bankrupt himself in the process, hence the complicated terms for revaluing Guaranteed Minimum Pension for early leavers which were hammered out after long *discussions between the Government* and the pensions industry.

In return for providing these benefits, there will be an abatement of contributions to the *State scheme of 7 per cent. of* relevant earnings—2½ per cent. to employees and 4½ per cent. to employers. This rate will be reviewed every five years.

How do these terms stand in relation to the financial feasibility regarding contracting-out? The Government Actuary calculated the 7 per cent. abatement taking into consideration the whole experience of the pensions industry. So it is an average *figure* and the pensions industry regards it as such as being just about adequate but by no means generous. After all, the State scheme benefits *have to be paid for.*

But since it is an average figure, some schemes will be financially better off by contracting-out and some will be worse *off. There is no blanket solution* and each scheme will have to be judged on its merits.

MINIMUM REQUIREMENTS

A pension of at least 1/80th of final salary or average revalued annual salary for each year of contracted-out service to retirement plus a widow's pension accruing at the rate of 1/160th of salary per year.

To provide a Guaranteed Minimum Pension (GMP) for each employee corresponding to the additional pension he *or she would have* earned had they remained fully in the State scheme.

To revalue this GMP up to age 65 for men and 60 for women in respect of members who leave after at least five years' scheme membership on one of the following bases:

(a) At a fixed rate, currently 8½ per cent. per annum;

(b) At a rate not exceeding 5 per cent. per annum, plus payment of a *Limited Revaluation Premium* to the State scheme;

(c) In line with the growth in the general level of earnings.

Employers should contact their pensions consultant on this point, if they have not already done so.

There are, however, two categories of employees where it will be *more expensive* to contract-out. The first is women. One main theme of the new pension provision is equal status for women, but since they retire early and live longer, pension provision is more expensive and the employer has to bear the cost, it is cheaper in the State scheme.

The other category is the older employee. The State scheme provides *full* benefits after 20 years, whereas an occupational scheme in general reaches maturity after 40 years, thus ensuring that the private scheme provides *GMP. for the* older employees can be more expensive than putting them into the State scheme. Contracting-out is predominantly *attractive financially* for a young workforce that is mostly male, but as stated each case must be judged on its *merits.*

In general a contracted-out private scheme will provide higher benefits than the State, so naturally the contributions *will be higher. But trade unions* have warned employers that they will not accept the State benefits for their members as they stand. They will insist on employers topping up the State provision mainly by providing lump-sum benefits on death in service or on retirement. So a financial comparison must be made between the private scheme and the State plus topping-up.

Relief

The other financial consideration is that with a private scheme the members' contributions get tax relief at the top rate, *while those to the State* do not get any relief at all. Thus at the basic tax rate of 35 per cent., a 2½ per cent. abatement is worth nearly 4 per cent. gross. *This situation* counts very much with employees.

But employers should not make their decision solely on *financial grounds, important* though they are. They should also take into account employee relationships. Indeed, the *regulations* impose a legal obligation to consult with employees and their trade union representatives on the ultimate decision to contract-out or stay in. It *would be as* well to seek the employees' views in advance.

Levels

Not only does private provision mean higher benefits; it *enables* employees to negotiate their own pension levels. In the State scheme the dialogue is on a Government-TUC level. Many employees are very concerned about their own pension scheme and are beginning to take a much greater interest in it.

The other considerations involved in the decision are the extra administration of a private scheme and the investment risk. The Government has not exactly lived up to its stated intention of encouraging private schemes by imposing a mass of complex legislation on employers and pension fund managers. If it ensures that *member* participation is a reality, then the members' interests will automatically be safeguarded. This view seems to have escaped the planners.

Many employers and investment *managers* have *not* forgotten the 1974 bear market and what this would have meant to pension funds had it continued. Contracting-out into a fully funded private scheme *is* expressing one's hope in the future of the economy. But if that does not come right, the pension fund finances will be the least of the employer's worries.

Eric Short

Self-employed avenues

ONE OF the major perks for working for a company is the pension it can provide. Provided you stay with it for long enough, *the end result can be quite* attractive. Self-employed people have rather more difficulty in providing their pensions—their ceilings are restricted. But that *fact should not deter them from* taking some form of savings for retirement.

Essentially, the types of schemes offered by most of the *insurance companies for self-*employed are the same structurally as an occupational pension scheme taken out by an employee of a company. You pay premiums to a *life* assurance company on which you are allowed full tax relief at both basic and higher rates. On retirement (which can be between 60—and since the 1976 Finance Act—75) you start to receive a pension based on what your savings have amounted to. Usually, the lump sum accumulated is used to buy an annuity which provides the monthly income. The pension you receive is treated as earned income—but because of the married man's allowance, the first £1,565 is normally tax-free.

The amount you can get on a pension depends on your annual premiums. To qualify *for tax relief*, there is a ceiling at 15 per cent. of your earnings or £2,250 (with some specialised exceptions depending on age). The exact amount that this will *buy for you* in the market depends on annuity rates when you retire, and other investment factors.

When taking out your policy you can *choose whether to pay* fixed regular premiums or variable annual premiums, which do provide that extra flexibility. The next decision is what kind of retirement policy to take out. There are three basic types in the market, each with its own pros and cons.

The first is a conventional with-profits policy. In this case the insurance company will declare bonuses over and above the accumulated sum guaran*teed for your retirement.* These bonuses depend on conditions ruling in the stock market, property market and fixed interest market that help a life *company earn its profits.* In the past, this type of policy has been able to keep up with moderate inflation rates.

In a unit-linked policy your premiums are invested in a specified fund (made up of equities, *property, fixed interest,* or a combination of all three) whose prices are usually quoted in the financial Press. The value of your accumulated sum will *vary according to the value of* this underlying fund. The final result is less predictable than a with-profits policy, but the eventual sum accumulated could well be *greater than the* guaranteed sum under a with-profits policy. The danger, however, is that the equity or property market is depressed just at the time you want to retire. In that case the annuity you will be able to buy will be limited.

The third type of contract is a *non-profits, where a specific* premium buys a guaranteed pension. This is only suitable for people who want to retire within a few years of buying the contract.

Additional

Self-employed pensions are available to directors, partners and employees who are not eligible for an occupational pensions scheme. There are also "top up" schemes for directors that can be tailor-made to each person's requirements, as an additional executive perk.

The benefits under these *types of schemes are specified* by the Inland Revenue to qualify as policies where premiums can be tax-deductible. The limit is two-thirds of your *final salary on retirement, pro*vided you have had at least 10 years' service with the company. The whole, or part, of this pension may be exchanged for a *lump sum, free* of tax. The maximum cash that can be taken in this way is an amount equal to 1½ times final salary for an employee with 20 years' service. For employees with shorter service, the cash amount is scaled down.

In the event of death before reaching retirement age, your estate *would be entitled to* a cash lump sum equal to four times your salary, plus a widow's pension equal to four-ninths of your salary (if you have completed ten years' service), and a refund of your own contributions with interest.

If you die after retiring, the widow's pension is equivalent to *a maximum allowable four*-ninths of final salary, as before.

There are two approaches to the provision of the retirement benefits in practice. One is to contribute a fixed amount or a fixed percentage of salary each year. This is called the "money purchase" method, and here there is no attempt to relate the prospective pension to your final salary. The other method (called the "target pension") is to relate the pension to a final salary.

Contributions will start at a level which will provide the required pensions benefits, although this level will vary *from time to time. One popular* level of benefits is based on what has become known as the "sixtieth" rule. Under this, a pension of 1/60th of final salary for each year of expected service is granted, thus providing the maximum pension allowed by the Inland Revenue of two-thirds of final salary.

When taking out a contract it is also usual to decide what kind of increases you want in pension payments once the benefits have started. In most cases this will mean starting at a slightly lower base rate, but *then at least you have a built in* protection against (a low) rate of inflation.

One example of this type of contract is The Equitable Life's "Individual Pension Plan," based on a with-profits scheme. The projected accumulated sum for a man aged 35 next birthday paying £100 premium a year is £16,205. Based on guaranteed annuity rates, this is equivalent to a pension of £1,872 a year. Alternatively, you can receive £1,531 in the first year and get an increase of 3 per cent. compound each year. (These quotations would in fact be rather higher at current annuity rates).

This article give the basics of the different schemes on the market. If you are interested in finding out more, there are two excellent hand books: "Self-employed *Pensions,*" and "Executive Pensions and Benefits" both published by Fundex.

Alternatively, you can ask *your insurance broker for* advice, including various quotes on the market, which has become very competitive in these types of schemes in recent years.

Roy Levine

Union involvement now total

SOCIAL Security Pensions 1975, has been hailed as a stone in State pension pro- n and for spelling out the s of partnership between and occupational pension mes. But one of its most utionary aspects has been complete involvement of unions in the pensions an area where hitherto have been conspicuously t.

e reasons for this change in ude are closely bound up the social revolution in the ook of all workers—both e and blue collars—towards pay and working condi- Until recently, many ual workers were very more concerned with the ey in the wage packet and ion provision was the onsibility of the State. In rast, many, but not all, non- ual employees accepted sion provision, however, rnalistic, as part of their all remuneration and the pany pension was the rd for long service.

rity

ow white-collar workers are ming more organised ugh trade unions as a work and are bargaining for y and working conditions. only natural to include sions in the bargaining pro- The manual workers are ing parity of fringe benefits staff employees and look more and more to the pany to provide at least of their pension. The ervatives' Social Security 1973 *had many defects, but* iggered off, as no previous tions legislation had done, ersal interest of many ns in the pension field, even first it was outright oppos- to the Act.

t if the trade unions were into the pension field, they certainly made their ence felt in a very few s and they are rapidly *ing up for lost time. The* t to be consulted on pension ers, was laid down in the lations to the 1975 Act. The ernment has set out in a te Paper its plans to slate for 50 per cent. scheme nber participation on all pension boards with the trade unions having the sole right to appoint those member representatives.

These two actions sum up the two areas in which unions are or will be closely involved in pension provision—the negotiation of the actual benefits and the running of the schemes. And they are two very different and widely separate functions.

Trade unions have put forward the premise that pensions are deferred pay and not a reward for long service. Most people would agree with this statement and the conclusion that *therefore* pension benefits should be negotiated at the bargaining table in the same way as pay and working conditions. Yet unions still report rather bitterly a reluctance of employers to even allow pensions on the agenda.

The regulations state that employers must consult with their employees and their recognised trade union representatives over the decision to contract out or stay in. The wording has lead to a lot of confusion because "consult" is capable of varying shades of definition. The unions are in no doubt that it means full-blooded negotiations.

But the problem is more how to consult. In many cases, pay is negotiated at plant level, while other working conditions are dealt with at a national level. Since pensions are deferred pay, many shop stewards would expect the negotiations to be done at plant level. But usually there is only one scheme per company *or even per group and central* bargaining would be more realistic.

Each company will have to sort out the best way for itself, but it looks as if the first discussions with the unions should be on how to consult. And time is getting very short for long-drawn-out procedures. Indeed, Mr. John Edmunds, the National Industrial Officer of *the General and Municipal* Workers' Union, told a recent conference of the National Association to Pension Funds that it could already be too late.

The problem here is one of communications. The proposed State scheme is not easy to understand and the contracting-out procedures are even more complex. The top officials of a trade union are much better equipped to understand the reasoning behind an employer's decision and then negotiate on the situation.

Local

But many company industrial relations managers feel that the local shop steward is much more concerned about the pensions of his members and how they are provided than would be the top union officials. The impression conveyed by many leading unions and by the TUC itself is that they are still wedded to the idea of State pension provision. Some unions, like some employers, are much better at communications with members than others.

The other area—being involved in the running of pension schemes—is much more contentious. The principle of membership participation is now accepted by most of the pensions industry. The opposition has been about giving the unions the sole right to nominate those members. The industry *is very much in favour* of bringing about participation by natural evolution, with a voluntary code of practice to guide employers.

The other main point of contention from most sections of the pensions industry and the CBI is that member representatives should be actual members of the scheme and that non-union members should have representation. Most favour some sort of election of the representatives by the members with the co-operation of the unions involved.

The retort of the trade unions to these suggestions, which to the layman seem reasonable, has been bitter and forthright. To start with, the unions regard with contempt non-union employees. They refer to them as "*free-loaders*" *who ride on the* back of the unions—getting all the benefits from union negotiations but not paying the union dues or conforming to union discipline. The theme is that the unions negotiate pension benefits, therefore unions should run the members' side of pension schemes.

The second argument of the unions is that only they can provide the necessary expertise and technical back-up in what is a very complex subject. Here the unions are on slightly shaky ground. Some of them, notably the GMWU, have approached the subject of pensions in a very professional way. GMWU appointed a pensions expert, Mr. Harry Lucas, and a capable pensions department has been built up that can handle all aspects of pensions.

But other unions, and they are still in the majority, have been much more amateurish in their approach. It takes a lifetime to become knowledgeable in the pensions field, expertise cannot be acquired in a two-day crash course. The claims by these unions to be able to offer the necessary expertise to local members is, at least at present, being made with tongue-in-cheek.

Demand

The other main fear of pension managers is that the public utterances of union leaders regarding *investment* will be translated into practice when they have a say in the running of schemes. The union demand that since pensions are deferred pay then it is the members' responsibility to look after the assets—not a logical conclusion since the employer makes up any investment deficit. Still in those funds where there is 50 per cent. member participation, the union representatives have shown an orthodox approach to investment policy.

Nevertheless, there is strong pressure to get the Government to modify its proposals for member representation. The Conservatives have stated very strongly that they cannot accept the White Paper as it stands. Given the trade unions' views, endorsed at this year's Congress, a bitter fight in and out of Parliament is on the cards. This would end the bipartisan approach to pensions that was a welcome feature throughout the passage of the Act.

E.S.

Occupational schemes

THE very base of every upational pension scheme is overriding decision as to the benefits selected should funded and through what estment medium they should channelled. Broadly speaking employer has three choices ront of him.

ne method is for him to go life office, which will offer a fully or semi-insured me — and take the whole sion operation out of his ds if he wants. The insur- company will *normally* pro- guarantees as to the capital yield, and take on the inistrative responsibilities well, the costs of which are vided for out of the miums.

nother is for an employer et up his own arrangements the aid of outside expert . In this way he provides own administration and ies out his own investment.

omewhere between these two managed funds. In this case employer looks after the inistration, but his pre- ms are pooled by an insur- company and invested. gh there are no guarantees vided on capital or yield. iously the differences veen insured and self- inistered schemes are wide *they really cater for differ-* ends of the market.

nswer

he size of the company has a or effect on the decision of ther to be insured or self- inistered. For very small panies there is little doubt insurance is the only real wer. Technically it becomes cult for a small company to its own scheme, and the tive cost obviously becomes hibitive at a certain level.

here are several advantages sing an insurance company. t, it takes all the strain off employer, which is prob- of great help to smaller panies. The latter cannot rd to take on the risk of -administered schemes, while investment spread offered by esting through an insurance company does give the extra bit of security not offered by self-investment unless by a very large fund.

Another advantage is that the proportion of funds that has to be held in liquid form to meet the day-to-day requirements of the fund is generally much smaller. Indeed, because of the sheer size of funds under insurance house investment, the regular inflow of cash can be used to meet daily requirements, thus leaving the fund to be as fully invested as it wants. This traditional argument is based on the view that liquid assets have a below average yield. But with the current high interest rates this loses some of its relevance in the short term.

Return

Yet a potential investor through a pension fund must look at the guranteed return, for any reasonably competent investment manager can get an adequate spread of investments assuming that the fund is of a certain size. So it is return that is important and the return offered by most life offices is hardly enticing, though to be fair it is of course guaranteed. Still, a return of little more than 10 per cent, including bonuses, is hardly exciting in these inflationary times, particularly at present when local authority yearling bonds give close to 13 per cent.

In theory a self-administered fund with exactly the same investment advice as an insurance company should be able to better the overall return, and this is obviously the reason that *many groups* decide to invest through a self-administered scheme. There are several ways of operating one's own pension scheme although the setting up of a separate entity is the only truly satisfactory method though it is worth having a look at the others if only to point out their pitfalls.

First is the unfunded scheme, which although simple to operate has very little else to commend it. For documentation, all that is needed is a straightforward letter from employer to employee stating the size of benefit that would become payable. However, the paying out of benefits from the revenue account is of little financial merit for the employees who are wholly dependent on the continued prosperity of the company.

Another possibility is the creation of an internal reserve. This has an advantage in that the company knows the exact extent of its liabilities, but for employees there is little more security than paying benefits direct out of revenue. In both cases employee contributions are impracticable, and the schemes are rarely used in the U.K. So the setting up of a separate legal entity is by far the best method whether invested through an insurance company or self-administered.

The basic difference between an insured and a self-administered scheme is one of investment, assuming in the first place that the employer is of sufficient size to graft the pensions administration on to the existing personnel department. This is not very difficult, especially where a computer is in use.

So why turn to an insurance company for investment? After all it can be argued that an insurance company is not a logical vehicle for investment. For insurance is about risks, and the only significant risk in pensions is if the employee lives beyond the normal expectation. Some pension consultants argue that the only part of a pension arrangement that should be handled by a life office is provision for death-in-service, particularly if the widow is catered for by a lump sum. Death-in-service is the sort of risk which should be insured as it is a true risk, though a relatively large fund can act as its own insurance company in this respect.

However, it is equally true that current and past employees must be protected and investing through an insurance company does give certain guarantees. But then could not a reasonable large self-administered fund act just as effectively as a "savings bank"?

The answer is really one of size. Taking a straw poll among some pension consultants, actuaries and insurance brokers such as Sedgwick Forbes, Willis Faber, Towry Law and Clay and Partners gave the impression that there was no cut-and-dried line where a company should become self-administered or go to a pension fund. A rule-of-thumb guide is that any company with over £75,000 a year going into its fund should go for self-operation though the figure is somewhat arbitrary.

Meanwhile, a managed fund is neither one thing nor the other. The employer still has to look after the administration, though the life offices will offer to do it for a fee, and while the funds are pooled by the insurance company and invested, it is a sort of exempt unit trust. Apart from the employer who wants to hive-off the investment side of his operation there are a couple of cases where it might be of advantage for short term use.

Withdrawal

For example a company which has been investing for some years through an insurance company would have to face costs of withdrawal. However, if it transferred the funds to the insurance company's managed funds the costs would probably be less. A managed fund may also prove right for those who wish to become self-administered at a later date and are using the managed fund as a temporary investment vehicle.

Both insured and self-administered schemes have their advantages and disadvantages, and there is no black and white as to who should go for which, except perhaps that a very small employer should go to an insurance company and a very large one set up his own in-house pension fund. Each case should be considered on its merits and independent advice must be obtained before taking one road or the other.

Terry Garrett

Dilemma of the managers

LIFE HAS not been easy in the past few years for the managers of Britain's multi-billion pound pension funds, which invest more than £12bn. on behalf of millions of workers and pensioners.

Handling resources ranging from £1bn. in the case of the three National Coal Board funds to a few million pounds or less for modest-sized company schemes, the investment directors have had to contend with record inflation and unprecedented swings and uncertainties in stock market prices. They have also had to face a nasty slump in property values—a field where many had sought a safe and trouble-free long-term hedge against the impact of inflation on their investments.

The managers have also had increasingly to keep an eye on the political context of their activities, as illustrated typically in insistent claims that the institutional investor has failed to put up the capital industry needs for expansion. Against this background, the investment chiefs have constantly had to consider whether they have rightly balanced their duties to their pensioners with whatever can be correctly claimed to be their responsibilities to the community.

By any standards the pension funds are now among the country's most important institutional investors, their £12bn. plus resources placing them only second in size and influence to the insurance companies, with £30bn.

Their investment strategies are therefore vital to the trend of markets as well as of those in industry and elsewhere requiring finance. Whether the policies they have followed in recent years can justifiably give rise to criticism is a matter for continuing debate, but what is undoubted is that there have been very large variations from time to time in the deployment of their resources.

Thus in 1974, when equity share markets were falling to a 20-year low, the pension funds put relatively little (£250m.) into ordinary shares, while in 1975—when offers of rights issues revived strongly and the share market more than doubled in price—the funds bought almost £1.2bn. of equities.

Whether the pension managers' decisions were the result or the cause of the market's volatility is a matter for argument, which often takes place with strong political overtones.

Clearly there was considerable interplay between the two trends, so that the equity market fall would probably have been slower had the pension funds been stronger buyers. On the other hand, the managers would argue that they would scarcely have been discharging their duty to millions of present and prospective pensioners had they thrown large funds on to a share market depressed by plenty of other factors.

Another body which is acutely interested in the funds' investment strategy is the Government, particularly at the moment when it has an £11bn. Budget deficit to finance in 1976-77. And all the signs are that the pension funds, after a somewhat intermittent pattern of buying so far in 1976, are likely to be substantial buyers of Government gilt-edged stocks this year. In 1975, £930m. of the £2.46bn. they invested went into gilts.

Prominence

Discussion of the political and national importance of how the funds invest their money has assumed increasing prominence in recent months. One illustration of this is the Labour Party National Executive's recent proposals in "Banking and Finance"—now adopted, against Government recommendation, by the Labour Party Conference—for nationalisation of the Big Four banks and the seven largest insurance companies.

Criticism in the paper of the role of the pension funds can be illustrated by two typical quotations: "The spectacular property boom of 1972-73 was fuelled by funds provided by the insurance companies and pension funds . . ." and "Institutional purchase of equities has also followed a violently cyclical pattern, the rate of net acquisition of ordinary shares by insurance companies, pension funds, and investment and unit trusts dropping by over £2bn. per year between 1972 and 1974."

Sensitivity of pension fund investors to attacks of this kind has been one factor behind the funds' response to two recent new ventures to fill possible gaps in the range of available sources of finance for industry. One is the City's £40m.-plus equity bank, Equity Capital for Industry, just set up under industrialist Lord Plowden to channel capital to companies unable to raise it on the open market.

Not without much heart-searching on the need for—and likely return on—such cash, the pension funds put up £15.25m. out of a requested £17m. for this project. They also provided some backing for the loan stock raised last year for the other new scheme—the bank-backed Finance for Industry's medium-term facility, planned to be of up to £1bn., for lending to companies. So far, however, this has been comparatively little used and the call on the institutions to finance it has as yet scarcely been onerous.

Criticised though the pension funds have been about the volatility and direction of their investment, their decisions on the deployment of their funds have undoubtedly been prompted by a desire to get the right balance of safety, yield and capital appreciation on their funds. And in the widely fluctuating markets and inflationary conditions of recent years, this has often dictated sharp changes of direction. Whether all decisions have been right is much more questionable; a number of pension funds, and insurance companies, got their fingers burnt by participating in property and secondary banking during the boom phase of the earlier 1970s before the recent troubles.

Longest

Pension funds are perhaps the longest term investors of all since the pay-out to a pensioner may often begin up to 40 years after he begins to put contributions into the fund.

In conditions where inflation is on average eating away the real value of money by around 20 per cent. annually—as in the past two years—it becomes highly important for long-term investors like the pension managers to follow investment policies which as far as possible protect the true worth of their funds.

At the same time, the funds, with pensions to pay and and a tax position as gross funds which makes high income valuable, cannot neglect the advantage of present high yields on fixed interest investments, such as long-dated gilt-edged stocks, now returning 15 per cent.

Over the years, however, the funds have increasingly diversified beyond the traditional fixed interest field through which, in non-inflationary conditions, investment outlay could be arranged neatly to match future income with liability to pay future pensions. In order to protect the real worth of their money they moved first into ordinary shares, in the hope that prices of these would rise in step with living costs. When this anticipation was often disappointed, the funds widened the range of their investment outlets and many looked to property—often through direct purchases of large buildings, and sometimes through partnerships with property or financial companies.

The latter circumstances at least, however, often failed to produce the hoped-for alchemy. A number of funds suffered losses, such as those of the National Coal Board and the electricity supply industry, through their backing of the troubled Cedar Holdings second-mortgage concern, ICI's in its 5 per cent. stake in the collapsed Triumph Investment Trust, and the Post Office's through its link with the troubled English and Continental Properties.

Still more recently, overseas shares and property have been picked by some funds on the reasoning that they provide a hedge against a falling sterling rate, although against this must be set the high level of the investment premium.

In their continuing quest for the right apportionment of holdings to obtain security, return and gain, the pension funds choose differing formulae with the norm in a number of cases being a roughly equal split of holdings between equity shares, gilt-edged stocks and property. Many, however, diverge from the trend. The big Post Office pension fund, for instance, has lately been favouring overseas property, particularly in the U.S. and Canada, in view of the volatility of stock markets; it also has a controversial big property venture, Fiparim, in Paris, in which it has lately bought out the stake of Sir James Goldsmith's Argyle Securities.

Unilever's fund remains quite strongly orientated towards equity shares, while the National Coal Board also favours shares. In April 1975, the last date for which published figures are available, the £240m. portfolio of the NCB's staff superannuation fund was invested as to 41 per cent. in equities, 29 per cent. in property, only 13 per cent. in gilts and other fixed interest stocks, with the rest in cash and other form. However, during 1974-75 the fund put more money (£25.6m.) into gilts than into any other sector, with property (£21.2m.) coming next.

Now the NCB fund has embarked on an interesting and potentially very important new venture to offer long- and medium-term finance to companies in Britain, including ones controlled by American parent concerns, for expansion and re-equipment. The fund is prepared to earmark up to at least £80m. a year out of its total annual cash inflow of £200m. for this enterprise. Loans up to 12 years and share-cum-lending packages, as well as sale-and-leaseback arrangements to generate finance, are among the kinds of project the NCB fund would consider supporting.

The fund's investment manager, Mr. Hugh Jenkins, says: "We believe with the problems of constraint there are this could be very useful to industry."

It is a remarkable fact that the NCB pension funds are prepared to put up each year more than the equity bank's entire present capital of just over £40m. to provide finance for firms' expansion.

Another recent scheme aimed at providing capital to private companies and others too small to make rights issues is Charterhouse Development Capital, set up by the Charterhouse financial and industrial group. An extensive range of important institutions, the majority of them pension funds, have put up the bulk of the £21m. of share capital recently subscribed out of an offer of £3m., Charterhouse Group itself subscribing 47 per cent. The participating shareholders have also agreed to pay up, as required, £5½m. of 14 per cent unsecured loan stock (compared with the £7m. maximum offered).

The institutions which have among them taken up the majority of the shares in this venture are the pension funds of Allied Breweries, the BBC, British Rail, the Civil Aviation Authority, the Electricity Council and Tarmac, along with three insurance groups—Pearl Assurance, Prudential Assurance and Standard Life.

It is too early to judge exactly how the pattern of pension fund investment will turn out this year, but there are some pointers which indicate some changes from the past year or two.

In 1974, the funds altogether invested £1.67bn., of which only £86m. went into gilts, £197m. into all company securities and £305m. into land and property and £209m. into loans and mortgages, while—in the highly uncertain climate—as much as £786m. was held as cash and short-term assets.

Supported

In 1975 with the rights issue boom developing (and share prices rebounding), pension funds heavily supported these issues, putting £1.19bn. into company securities.

Investment in gilts multiplied many times over to £930m., while land and property, loans and mortgages together absorbed £600m., but cash and near-cash balances were drawn down by over £300m.

So far this year, there has been some continued buying of ordinary shares, though at a slower pace as the flow of rights issues has abated and the recent downturn in share prices has created a sombre background.

However, pension funds were, both at the beginning of the year and in May, quite substantial buyers of gilts and the signs are that they have been in the market again lately, notably by subscribing to the new sell-out stock, Treasury 14¼ per cent. 1994, yielding well over 15 per cent.

Senior investment managers now take the view that, during the rest of the year, other substantial quantities of further cash will be placed by the institutions in gilts and that the total so deployed by the pension funds in 1976 may well top last year's £930m. total.

Whatever the future investment trend of these and other institutions, however, their management of their cash seems certain to become more and more subject to widespread public interest and scrutiny.

Margaret Reid

State scheme emerging at long last

THE PAST ten years have been a frustrating time for employees and employers who have been waiting for a much-promised revolution in the State Pension scheme. Much discussion has taken place in Parliament, advice has been sought and analysed by respective Governments, and many talks have been arranged between politicians and union leaders. So far there has been little to show for all of this.

Of all the new ideas hatched in the past decade the State Graduated Pension scheme is the only one which was actually put into operation and that has since been discontinued. Two other plans, the Crossman plan and the Joseph State Reserve scheme, seemed likely to succeed at one time, but the first was supported only by the Labour Party, while the other satisfied only the Conservatives. In each case changes of Government led to the plan being scrapped.

Satisfy

The long wait for a revolutionary State Pension scheme, however, now seems to be coming to an end. The Social Security Pensions Act, 1975, which takes effect from April 6, 1978, will at long last establish a new State scheme. This time it seems that a scheme has been created, the basic principles of which satisfy the requirements of all the major political parties.

Indeed, the swift progress which the Bill made through Parliament reflected the fact that the Opposition decided not to oppose the Bill in principle. It seems unlikely, therefore, that even a sudden change of Government would now prevent the Act from being put into effect on the scheduled date.

The new scheme will have two components. A basic pension similar to the present State Pension will continue to be provided for in the traditional way, and an additional earnings-related pension. Those who are members of an occupational scheme will be contracted out of the additional part of the State plan and both employers and employees will pay reduced contributions.

Several features of the new scheme will remain the same as at present. Pensionable ages will still be the same, 65 for a man and 60 for a woman, and pension benefits will still stem from credits accumulated from contributions made over roughly nine-tenths of a normal working life. However, if for some reason—perhaps home responsibilities such as bringing up children or caring for a sick relative—there is a break in a person's working life they will still be entitled to full benefits.

At present State Pension rates, the first part of the new pension, the flat rate component, would be worth £13.30, and this will be increased annually in line with the prices or earnings indices. The additional part will consist of 1.25 per cent. of earnings in excess of a "Lower Earnings Limit" and up to an "Upper Earnings Limit." These limits will be fixed at the start of each year with the lower limit broadly corresponding to whatever basic pension is in effect at the time, and the upper limit will be set at about seven times the level of the Lower Limit. On present terms that gives a range of between £13 and £95 per week.

Payments into the new scheme will begin when the plan takes effect from the start of the new tax year in 1978 but when calculating the additional amount of pension which a person is entitled to, only the best 20 years will be taken into account. This does not necessarily mean the last twenty years of the person's working life.

A brochure, published by Bland Payne (Employment Benefit Consultants) gives two examples of how the new scheme will work. A man who will be aged 55 on the day that the scheme comes into effect will contribute for only ten years. His additional pension entitlement will be made up of ten amounts, each of which will represent 1.25 per cent. of his earnings between the Lower and Upper Earnings Limit, in the year concerned, revalued to reflect the general rise in earnings between that year and the time of retirement. In occupational terms this is equal to one-eightieth of pensionable salary per year of membership.

A man who would be 25 when the new scheme comes into effect will contribute for 40 years and on his retirement 40 amounts of pension will be calculated on the same basis as above, but only the largest 20 amounts will be taken into consideration when calculating his entitlement to additional pension. Again, in occupational plan terms this is equal to 1/160th of pensionable salary per year of membership, where pensionable salary is the average of 20 years' pensionable salary adjusted by a general earnings index.

Bland Payne have also drawn up a graph to show the total amount of personal pension which would emerge under the new scheme as a percentage of earnings where these remain at a constant ratio to national average earnings (NAE) throughout the employee's career. A man whose wages are the same as the NAE (£60 per week in November, 1975, terms according to Bland Payne) would by 1998 be entitled to a total pension of just over 40 per cent. of his average earnings, or about £26 per week in November, 1975, terms. For a man whose wages represent half of NAE, the pension entitlement by the same date would be about 57½ per cent. of average earnings, or about £17.25.

Favour

This shows how the new scheme will favour the lower-paid workers. After all, in the above example, although the second man's average wages were equal to only half of the first man's, the amount of his pension is only a third less. This fact has annoyed some people, but surely the plan was designed mainly for the benefit of those lower-paid workers who have been unable to make adequate pension arrangements for themselves.

Perhaps a more valid criticism of the new plan is that which has been levelled at it by Age Concern, the National Old People's Welfare Council. It is this organisation's contention that the inflation adjustments which the Government intends to make under the new scheme will be inadequate. This argument is based on the evidence of the last pension increase to be approved. On April 6, 1976 the Government announced that from November 1976 pensions for single persons would rise from £13.30 to £15.30, and for married couples from £21.20 to £24.50, increases of 15 per cent. Age Concern's claim is that these rises were based on out-of-date inflation figures, and since between March 1975 and February 1976, the Price Index rose by 20.5 per cent., it seems to have a strong case.

Certainly, if the new scheme is to improve the life style of retired people and to reduce the burden on Social Security, as it has obviously been intended to do, then a new look must be given to the index-linking of pensions. If this does not happen then it seems highly unlikely that the new State plan, despite its sophisticated structure, will wipe out the need for supplementary benefits for the lower paid.

Tom Kyte

PENSIONS V

For women still an area of inequality

NG AS the jobs of house-g, bringing up children ring for elderly and sick es remain a free service country—and certainly the State or employers e adequate nursery facili-r working parents—there lways be a very sizeable of the community who uffer from unequal pen-pportunities and who will eated differently in old nd the majority of this nity will in all prob-continue to be women. situation is if anything ced by the official recog-now being given to the t of contributory pen-as deferred pay. Clearly, all pension schemes—and above the flat-rate pension—whether private te-run are either based on outions (the predominant 3) or on being a paid yee (as in the few non-butory schemes such as run by banks) there is no individuals who do not e remuneration for their s can obtain "deferred in their own right.

this context at least, ulti-security in old age for a section of the community, ally women, depends on nerosity or otherwise of supplementary benefits h. Even here, the discre-y elements contained in ining the amount of t available to the indivi-and the method of distri-of the benefit gives some ds for arguing that provi-not being administered ly as a right.

Supporter

Dignity

the social welfare pressure s, at least, this is not mere try. While it may be true old people claiming means-supplementary pensions probably the most sympa-ally treated by social ity offices, these groups that not all pensioners eceived warmly. Moreover, the means test require-itself does not fit comfort-nto the concept of benefits ight, nor does a system of bution that can actually those who are eligible claiming them. The prob-of pensioners who do not up their "right" because e indignity they associate means tests and having to what they still see as the nal Assistance is well docu-ed by such organisations he Child Poverty Action p.

mically, however, it is the nition of occupational pen-as deferred pay that has among the most crucial ents in prompting a reduc-in the inequalities that ed in State and private ibutory schemes before Barbara Castle's Social Security Pensions Act 1975.

These inequalities have been seen to work largely against women in the past, but now there is a growing awareness of the extent to which they can also work to the disadvantage of men who do not fit into the classic roles that society has defined for them and around which laws have been made. The new thinking, given at least partial recognition in the 1975 Act and in the recent report of the Occupational Pensions Board, does concede, for instance, that a husband can be economically dependent on his wife and that he is not necessarily older than she. On the latter point, figures compiled in 1971 actually revealed that out of 8½m. pensioners, 35 per cent. of husbands were younger than their wives.

One major though incomplete step forward in the 1975 Act was to enable a husband to receive a pension from his wife's contributory scheme should she die first. A measure of inequality still remains here, however, for it is only available to the husband if the wife is the breadwinner when she dies. A widow, meanwhile, still automatically benefits from her husband's scheme if he dies because the law still assumes her dependence on him.

But at least for the first time under Barbara Castle's legislation a woman's contributions to a pension scheme before she marries are not necessarily lost. The old "half test" in which she was denied her own pension if she had not paid contributions for half her married life has been abolished.

In addition, for the first time, some recognition is given to wage earners who spend a limited period in their life looking after children or elderly and sick relatives. But to qualify for a full pension, these people will still have to have been in paid employment and—under the State scheme—to have paid their quota for at least 20 years.

Another inequality partially ironed out by the Act is the gradual abolition of a woman's option of paying reduced contributions—a concession that was never available to men.

But the law in many respects still fails fully to recognise marriage as an equal partnership. A number of uncertainties and anomalies remain. In the case of the 20-year rule, for instance, it is not thought likely that men who spend time looking after children or relatives will get the same treatment. Certainly there has been no clear direction on this.

It also remains difficult to see how an average married woman who is perhaps out of employment for just a few years to care for, say two children until school age, can receive a maximum pension. The Act has still not put this within her reach in spite of ruling that the terms of entry into pension schemes must be equal for men and women.

Previously pension schemes admitted men at 21 but only accepted women at 25, thus making it impossible for women who also have to retire five years earlier than men to aspire to a maximum pension where contributions have to have been made for 40 years. Now the maximum is almost available and no doubt pressure will be put on pension schemes some time in the future to lower the entry age a little further to correct the anomaly that still exists.

Such action could be superseded by a move to raise women's retirement ages on an equal basis.

That the difference in life expectancy between men and women should no longer be taken into account in pension benefits and in contributions made by members of pension schemes is in fact the main theme of the Occupational Pension's Board report.

The task of the Board, as directed by Barbara Castle after last year's Pension Act was to show how equality could be fully achieved in occupational pension schemes and one of its most far-reaching proposals—the report having been largely accepted by the Government in its latest consultative document—is that identical benefits should be available to men and women where identical contributions have been made in identical situations. Of particular importance is the Board's adoption of this criterion instead of basing its equality proposals on what the costs are to the employer.

Pension costs to the employer are bound to be higher for women than for men because while women retire five years earlier than men, they also tend statistically to live six years longer.

Moreover, it is also proposed that schemes should allow for maternity leave and that courts should be able to order part or the whole of a survivor's pension to be paid to a former spouse, whether separated or divorced.

As a general rule, however, the Faculty of Actuaries, in its evidence to the Occupational Pensions Board, has compiled figures showing that the funds required to provide a given pension level for women retiring at 60 will be nearly a quarter higher than the amount needed to give the same pension level to men.

Lengthy

Naturally, this has given rise in the report to lengthy consideration of whether changes can be made that would bring together the retirement age for both men and women. In fact, the Board emphasises that before this is achieved there can be no true equality in company pension schemes for men and women.

The options are either to raise the retirement age for women to 65, lower that for men to 60, or take something in between for both—such as 62½. But each would involve serious difficulties. To raise the retirement age for anybody is not the trades unions' idea of progress. Moreover, women who have been unequally treated in employment throughout their working lives would have considerable justification in regarding the sudden imposition of an extra five years' work as a breach of faith.

But to lower the pension age for men to 60 would be extremely costly. Latest estimates are that it would cost at least an extra £2bn. And so long as the Government feels it cannot afford the change it will probably not feel able to impose it on private schemes either. Meanwhile, splitting the difference so that everyone retires at 62½ would still cost an extra £700m. or so and would also invite similar criticisms to those that would emerge if the common retirement age were put at 65.

The debate has a curious ring to it at a time when the Government is offering £23 a week tax-free to those who want to retire a year early and release jobs for the unemployed young. But even with suggestions that women should be invited to volunteer to work to 65, a solution to the problem seems a long way off.

In the meantime, women who are only this year benefiting from the full enactment of the equal pay and sex discrimination laws have another long wait before they can expect equal treatment in pensions. The Social Security Pensions Act will not be fully implemented until 1978 while the proposals of the Occupational Pensions Board have still to go through the process of legislation.

Pauline Clark

Choice of expert advice

PENSIONS are becoming increasingly complex and consequently the need for expert advice is greater than ever. At the same time employers are demanding greater sophistication from their advisers as they and their employees react to the inadequacies of the State pension as it stands to-day.

The problem for the employer is that he is faced with a confusing number of specialists to choose from. Consulting actuaries, insurance brokers, insurance companies, pension consultants, merchant banks, accountants and solicitors all offer advice of one sort or another. The art is in finding the one which can offer the best all-round service.

Tended

At one time insurance brokers and consulting actuaries dominated the field. Actuaries tended to recommend their clients to opt for self-administered schemes, while the insurance brokers usually suggested setting-up schemes through a life office. It was not easy for employers to know whether the advice they were being offered was truly objective. Considering that both the brokers and actuaries were experts the employer could be forgiven for wondering why their opinions differed so consistently. Still, the position does seem to be changing — even if the employer is still confused as to whom he should approach.

There does appear to be a growing amount of professionalism about pension advice, with the increasing number of pension consultants, and consulting actuaries. The larger of both groups are now very similar in their operation. In addition, a trend towards acting on a fee basis rather than relying on commission from insurance offices has been instrumental in creating a higher degree of impartiality. Advice from one of these sources (not forgetting that most of the larger insurance brokers have hived off a consultancy arm as well) is essential for an employer wanting a bit more than an "off-the-peg" scheme from an insurance company.

Nowadays the consultant (I use the term to cover consulting actuaries, pension consultants and some of the insurance brokers) must offer a wide range of services, all of which the employer will need to use. From the very start, having first established the aims of the employer, the consultant must offer alternative schemes. Exact costing is a must, as are comparisons of various options. Once the design of the scheme is complete the consultant must take charge of its implementation, and then make sure that it continues to run smoothly. Last but not least is a communications job with the employees.

To offer this all-embracing service the consultant has to have experts on his staff covering many varied topics. Detailed knowledge of the law is essential—in particular about how it relates to trusts, trust deeds, and of course the duties of trustees. The pension consultant normally draws up draft deeds, but in the final stages a solicitor has to complete the work, even though where top quality consultants are involved the solicitor's job is practically done for him. Not least the consultant must be able to come up with up-to-date guidance on the pensions legislation which has finally become embodied in the Social Security Pensions Act.

Furthermore, taxation knowledge is indispensable, particularly as to the Finance Acts which deal with pension schemes. A working knowledge is also needed on overseas taxation so as to handle companies with overseas subsidiaries.

Of course, actuarial expertise is one of the most important points, as the whole scheme rests on the actuary's advice as regards the method of funding and the rate of investment.

Next, the consultant should be able to direct the long-term investment policy of the fund so that there is sufficient liquidity to meet the day-to-day requirements of the fund, and also an element of capital growth with as much safety as practicable. However, consultants as a rule are unlikely to get involved in the daily running of investments, though they will introduce competent advisers whether they be merchant banks or stockbrokers.

Then there is the benefit structure to be established and the administration work to be set up. With regard to the latter the consultant must ensure that the employer organises his personnel department to cope with the continual movements caused by retirements, deaths and withdrawals, keeping investment records and producing the necessary accounts for auditors and tax offices.

Finally, the field of communications is vital, for a pension scheme, no matter how good, will only be as good as the employees think it is. In fact the communications part of the job is taking an increasing part of the consultants' time as unions and employees become more aware of pensions as deferred pay.

If on the other hand the various specialist requirements are provided by a multitude of advisers the consultant's job must be to consolidate all the various advice into a comprehensive strategy for the client.

Coming back to the area of communications this is a field which has been seriously neglected for far too long. Bearing in mind that employees are often contributing a considerable sum over the course of a year towards their pension it is incredible how little they usually know about the scheme. In fact one pension consultant was quite amazed at the number of finance directors he found who did not really understand their own pension scheme, particularly when it was insured with a life office.

Exercise

It is essential that employees are made aware of what is being provided for them, if only as an industrial relations exercise, and the consultant will be able to help achieve this end. He will be able to provide readable booklets and graphics giving brief details of the employees' benefits. Also members should be reminded from time to time of their entitlements so regular statements of individual benefits are a good idea.

A consultant can provide the back-up service to help employees on retirement. Advising on investment opportunities for those who receive a lump sum or helping widows in the event of an employee's death. The employer has to pay for this extra service so it is essential that employees are aware of it.

Having discussed the type of advice that an employer should expect from his consultant, the difficulty remains as to whom he should turn. Unless he decides to go on a recommendation from another employer the best way for him to contact a good consultant is by inquiring of the Society of Pension Consultants, Association of Consulting Actuaries or the National Association of Pension Funds.

Terry Garrett

Trusts and the trustees

IT HAS traditionally been the prerogative of management to appoint the trustees and managers of company pension funds. In recent times greater attention has been paid to giving employees, or members of the scheme, more of a say. It has become quite commonplace for such representatives to be appointed.

However, legislation which is due to come into force in 1978 could well change this balance. From the moment that legislation gets on to the statute book, Trade Unions — by right — will be able to seek and obtain 50 per cent. representation. This will apply right through the *pension fund; that is it involves* both the trustee and the administrative sides. If there are 6 trustees, then the Trade Unions involved in that company will be able to insist on 3 being their members.

There are areas of uncertainty. For example, even where employee participation has been incorporated the management has, in the past, always retained the casting vote. The White Paper has not yet made it clear whether this will still be the case when the new laws come into force.

It is also not clear what happens when more than one Trade Union is involved in the various sections of a company—as, for example, in the case of a newspaper. There are other instances *where only a small percentage* of a total workforce is members of a Trade Union. Will they still get their 50 per cent. representation?

Such uncertainties are clearly giving rise to some anxiety in the pensions business—not least because of the potentially huge number of new people who will have to become familiar with the role of the pension fund trustee. Various bodies offer schemes to train up the initiates, but so far the Unions have said that they prefer to train their own men in this business. And that, too, is giving cause for concern, in case the more extreme trade unionists use their newly-acquired power as some form of lever against management.

Undoubtedly, the changes are going to create a tremendous amount of work for pension administrators. New procedures will have to be incorporated and schemes will have to be amended.

The powers of a trustee need not be overwhelming. It is generally accepted that the trustee is really the overseer and not the administrator. However, in some cases the trustees have wide discretionary powers. The outcome of the new legislation, in the view of those in the pension fund business, is that schemes will be amended in such a way that the rules will be set out in black and white, and where there will be few powers of discretion. It is also predicted that there may be *separate schemes for separate* sections and categories of employees.

But aside from these complications, potential or otherwise, the role of the pension fund trustee is a fairly straightforward one. It is basically to ensure that the scheme is administered according to the rules and to make sure that the interests of members are safeguarded.

A trust is formed for the purposes of a pension to ensure that the scheme remains separate from the other interests of the employer. The trustee is someone who is approached by the existing trustees, by the employers or who is elected by the membership, to safeguard everyone's interests. Within that, anyone can qualify as a trustee.

Dictated

The precise duties of a trustee are dictated by the trust deed itself. But basically, the trustee must be impartial and, according to a 29-page booklet issued by the Metropolitan Pensions Association, "His office is not to be used for venting his personal opinions, nor for trying to alter the terms of his own, or anyone else's terms of employment." He must look upon his duties as being completely separate from those he has in the course of his normal day-to-day employment.

As regards the investment of the funds in the trust, more often than not the trustee has to seek advice elsewhere. While they may approach a full-time investment manager or a merchant bank or some other professional, the trustee still has to ensure that the decisions taken are appropriate to the fund. As the MPA booklet says *the trustees must seek to* "achieve a balance between security and productivity."

Any investments should not be of a speculative nature, nor must they be so safe as to not produce income or the prospect of capital appreciation.

The precise rules as regards the investment policy are generally set out in the text of the trust deed itself because, failing any specific instructions, the trustees have to resort to the powers contained under the Trustee Investment Act, 1961, which give only very limited and prohibitive powers.

A trustee must also be careful not to get himself in the position of having a conflict of interests. There is a duty not to make a profit, whether directly through being paid for his work, or indirectly through using information that has come his way through the course of trustee duties.

Clearly, the trustee or trustees cannot be expected to carry out every little piece of administration that is required, and it is quite normal for there to be a degree of delegation. In most cases, therefore, a pension fund manager is appointed. This is distinct from the seeking of advice.

However, the trustee must also bear in mind that if he seeks advice or delegates he is ultimately responsible. In the case of tax, for example, the Inland Revenue will look to the trustee for the tax on the fund: any errors, and the trustee is liable.

There are other aspects of law to consider. For instance, the pension trustee will need to be familiar with the law relating to probate and wills.

Newcomers to trustee work, therefore, are going to have quite a lot to think about. But there are training schemes available for aspiring pension fund trustees. Even one-day courses are available and special seminars—such as that to be organised next month by The Industry Society on Pension Fund Trusteeship — are also likely to become more popular.

Keith Lewis

Growing importance of communications

PENSIONS ARE hot news these days and a number of companies and pension management groups are at pains to show how they are protecting or bolstering the value of the fund in the face of galloping inflation. But despite this increase in publicity it is still a known fact that the average individual has at best only a basic knowledge of what his occupational pension scheme means to him personally.

Many of the larger industrial groups are, however, well aware of the lack of communications between employer and employee in the field of pensions and much effort has been put in to bridge the gap. On top of this the Government, Trade Unions and the CBI as well as numerous pension consultants are all extremely active in the area of communications. Even so the disturbing statistics among members of medium to large size company pension schemes illustrates just what problems lay ahead for these various organisations.

The Government is obviously anxious to improve the level of communications in occupational pension schemes. The Social Security Pension Act puts the onus on companies to educate employees on pensions. Moreover the proposals in the recent White Paper on Member Participation definitely follow this line of thought so companies will be forced to pay more attention in the future to training and educating members on their particular scheme.

It is after all in the best interest of the company that the *employees get to grips with the* benefits of the in-house pension scheme. Substantial sums are spent on pension schemes and the most beneficial results are not obtained unless the spending is accompanied by a good educational programme. A company could find itself in the position where it has industrial unrest just because employees are kept in the dark as to the scheme's benefits. It is however, easy to see why companies have great difficulty in getting across to members just how the fund is run and what the benefits are, in such a way that the information is understood and absorbed. Pensions are highly complicated animals drawn up by professional men. Moreover, the rules of the pension scheme are legal documents and the complexity of legal jargon has bemused even the best of us at some time or other.

Many companies have at some stage issued a form of explanatory booklets but, as surveys *show, these are often just not* read. The object of these booklets was to set out the functions and benefit schemes in such a way that they made easy reading and at the end of it the member had a clear idea of what he was contributing in relation to that of the employer and just what he would get out of the scheme on retirement. But in some cases these booklets failed to achieve what they were designed for.

Crammed

The main reason why a large number of these booklets proved an abortive public relations exercise is that too much information was crammed into the publication for fear of leaving out any important legal point. The net result was that far from being an easy read the booklets were little different from the deeds of the trust.

Why the companies found themselves compelled to put as much information in the booklet is difficult to comprehend, for an easy safeguard would be to put a paragraph somewhere in the publication that explains that it is not a legal document but is just aimed to give members a broad outline. Then if there is any further need for information a more advanced *publication could be available* for general release, to expand on the rules of the trust.

The Company Pensions Information Centre publish a number of booklets to give guidance on pension matters including one that is aimed at the employers to help overcome the problem of communications. By *and large this booklet tends to* agree with the view that an easy-to-read explanatory booklet should be accompanied on demand by the full set of rules. They do, though, point out that no booklet, however clear, can answer all the possible questions about the scheme. For this reason it is suggested that *a meeting should be held to ex*plain the scheme when it is set up and if any changes are made later. Equally when a new employee joins the company there should be somebody who is available, in the case of the larger companies on a full-time basis, to explain the working of the scheme.

International Employment Benefit Consultants MPA feel that it is imperative to evolve a good communications programme whether or not the company is altering its existing arrangements or introducing a new scheme. The cost of good employment benefit communications *represents* but a small proportion of the pension scheme itself.

The CBI also favours easy-to-read company information booklets to be supplemented by direct oral presentations where the members can answer questions *thereby giving* some feedback.

By and large these are all general communication techniques and the MPA feels that a stronger impact would be made if the company could aim directly at each individual employee with figures based on his own personal circumstances.

This can be achieved by issuing annually to each employee an individual benefit statement. The date required must be collated in a form from which the statements can be produced. Like the explanatory booklets, the way in which the figures are set out is important for, after all, the statements need to be read.

The collation of data is bound to set problems but the MPA feels that once the relevant file of information has been achieved it should be kept up to date and used for other things such as pension fund administration, the provision of accounting and personnel statistics and actuarial valuation data.

A number of the large international groups have clearly seen the light of day. Both the Imperial Group and Shell Oil, for example, have issued easy-to-read explanatory booklets in addition to the more formal set of rules.

In addition to these booklets both companies have given information on the Pension Scheme Management together with annual reports on the financial position of the pension fund. Moreover, following suggestions by the pensions consultant committees further explanatory information is given in an in-house publication on the lines of a newspaper.

Much then is being achieved by the larger companies and the consultants together with the various specialist organisations and following the latest moves by the Government substantial improvements in the area of communications should be seen.

David Wright

Oils and fats pact doubted

y Our Commodities Staff

INTERNATIONAL agree- it seeking to control prices edible oils and fats would be workable in practice, Mr. S. Sweetman, vice-chairman Unilever, told the House of ds' select committee on com- lity prices yesterday.

r. Sweetman said that over years, free market mechanism done a good job in regulating plies and demand of oils and . The wild fluctuations experi- ed in 1973-75 had been quite otional with prices otherwise in acceptable limits ever e the Korean war. Any price ilisation scheme should, he ed, be aimed at only dampen- extreme movements, and t allow the market mech- m to continue operating ctively.

rice stabilisation as a means hannelling aid to developing ntries was "undesirable and defeating," he declared. It ld go to the wrong areas in y cases, and stabilisation d be harmful to producing ntries in limiting their earn- when crops were hit by avourable weather.

r. Sweetman said that as by the largest consumer of oils fats in the world, Unilever not consider it necessary to the commodity futures ket, except in the animal ls sector where they did not e dominant buying influence. group did not speculate er.

Defaulters' sugar quotas to be cut

BRUSSELS, Oct. 6.

COMMON Market Commis- will abolish or reduce the -77 quotas of four develop- sugar producers who have d to fulfil their supply com- nents under the Lomé trade aid convention with the , Community officials said ay.

he Commission will maintain quotas for Mauritius and Fiji ch suffered natural disasters ing the 1975/76 season and oked *force majeure* for not ting their delivery commit- nts in full.

he four countries to have tas cut or abolished are the go, Kenya, Uganda and Suri- .

t its weekly white sugar ten- , the EEC Commission auth- ed 16,380 tonnes for export restitutions of up to 13.09 ts of account per 100 kilos. ter

EEC skim milk powder scheme likely to end

BY ROBIN REEVES

BRUSSELS, Oct. 6

THE EEC's controversial scheme for incorporating up to 400,000 tonnes of surplus skim milk powder in animal feed now seems virtually certain to terminate at the end of this month.

The Brussels Commission has been proposing to extend the scheme beyond the present October 31 expiry date on the grounds that further time is needed to ensure the full take-up of the 400,000 tonnes. To date only some 270,000 tonnes has been actually incorporated with a further 50,000 tonnes under contract.

But a discussion during yesterday's EEC Council of Agricultural Ministers meeting clearly indicated widespread hostility particularly from West Germany and the U.K. to an extension of the scheme.

Ministers are due to return to the subject at their next meeting on October 25 and 26. It seems unlikely there will be sufficient enthusiasm to ensure a continuation.

The scheme, which was introduced last spring in an effort to reduce the Community's skim milk powder "mountain" of over 1m. tonnes has required feed compounders to pay a deposit on imported soyabeans and other sources of vegetable protein.

This deposit was refundable on the production of evidence that a minimum percentage of surplus skim, which would otherwise be uncompetitive, had been incorporated in the feed ration.

Besides producing protests from the animal feed industry, which complained that it raised prices unnecessarily, the scheme was also the subject of a sustained campaign of opposition from the U.S. Government on the grounds that it discriminated against soya imports and therefore contravened GATT.

Those who continually complain about the EEC's propensity to produce surpluses of butter and skim milk powder will now be able to concentrate all their fire power on the Commission's more recent proposals, among others, for tackling the problem—the proposed tax on margerine.

This week's Common Market agricultural council was also due to tie up an agreement on a common sheepmeat policy. However, discussion was brought to a halt early in the proceednigs following Irish insistence that the scheme under negotiation should be regarded as an interim arrangement only, to be replaced by a full-blooded market organisation beyond an agreed date.

The French, with tacit support from the British, were adamant that no date should be set for replacement of the scheme, which would have provided for compensatory payments on trade between France, Ireland and Britain to maintain the present difference in producer prices.

In the circumstances, Mr. Mark Clinton, the Irish Farm Minister, chose not to prejudice his apparently strong legal position by accepting a commitment to the proposed interim arrangement indefinitely. According to a European court ruling, there has to be, in any case, a common organisation of the sheepmeat market from 1978 onwards.

The question is due to be discussed further by officials but there are no indications of a quick end to the deadlock. In the meantime therefore, Irish—and British—lamb exports to France will continue to be subject to the vagaries of the French national system. Its principal instrument of market support is to open and shut the frontier to imports according to the level of lamb prices on the French market.

U.K. stand gains support

BY JOHN EDWARDS, COMMODITIES EDITOR

FIRM SUPPORT for the stand taken by Mr. John Silkin, Minister of Agriculture, in rejecting a devaluation of the "green pound" at the EEC Farm Ministers meeting, came yesterday from a fellow member of the Cabinet, Mr. Roy Hattersley, newly appointed Secretary of State for Prices and Consumer Protection.

Mr. Hattersley told the annual luncheon of the Cocoa, Chocolate and Confectionery Alliance in London that the "green pound" and the monetary compensatory amounts provide a saving of about 7 per cent. on British retail food prices.

"In present circumstances the sacrifice of that advantage cannot even be contemplated."

He said the EEC must understand, and accept, that the lower prices as a result of the "green pound" not only helped British consumers, but also gave producers in other Common Market [illegible] access to the U.K. market.

The "green pound" was a highly artificial mechanism. But so was the Common Agricultural Policy. There had to be fundamental changes in the EEC farm policy.

Mr. Derek Anderson, president of the alliance, welcomed the stand taken by the U.K. Government in resisting pressure to devalue the "green pound." It was calculated that full devaluation would add about £1,800m. to the U.K. consumers' food bill—an increase equivalent to nearly £2.50 a week on the shopping basket for a family of four.

World prices of sugar and many other food commodities were already below those being paid in Britain, he pointed out. It seemed to him that the current parity of the "green pound" was one of the Government's major negotiating cards for securing necessary changes in the CAP.

Farmers attack inaction

BY OUR COMMODITIES STAFF

THE BRITISH Agricultural Council, which embraces all producer, landowning and co-operative organisations in the U.K. said yesterday that the Government's failure to devalue the green pound was short-sighted expediency.

The Government's inaction was damaging the country's meat processing industries where the risk of large-scale unemployment was now real. It was also damaging the prospects of improvement in the nation's balance of payments through further investment in agricultural expansion.

"The country cannot have its cake and eat it at a price subsidised by the other members of the Community. The British public will eventually be unable to avoid paying for its food at the real cost of production.

"If the tough measures needed are continually avoided then British agriculture cannot increase its output, which remains by far the best recipe for guaranteeing continuity of food supplies."

Thailand coup lifts tin prices

By John Edwards, Commodities Editor

TIN PRICES jumped to all-time peaks on the London Metal Exchange yesterday, following the coup in Thailand. Cash tin closed £85 up at £4,933.5 a tonne, and three months quotation gained £95.5 to £5,083.5 a tonne.

Prices were even higher in earlier trading. They were trimmed by selling believed to be on behalf of the buffer stock of the International Tin Agreement, and profit-taking encouraged by a strengthening in the value of sterling after an earlier fall.

Selling by the buffer stock was believed to have kept the Straits tin price in Penang unchanged overnight at the Tin Agreement "ceiling" of $M1,200 a picul despite a heavy turnover.

Reports that producers will be seeking a rise in the Tin Agreement price ranges at the Tin Council meeting next week is giving a firm undertone to the market.

The Thailand coup also helped lift natural rubber prices on the London market, with the RSS No. 1 spot quotation gaining 1.5p to 56.5p a kilo, a high for the year.

Bangladesh to host jute talks

DACCA, Oct. 6.

Bangladesh will host a seven-nation conference on Jute to be held here from October 7 to 10 aimed at working out a collective strategy to maintain world interest in jute and allied fibres.

The meeting, sponsored by the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) and the U.N. Conference on Trade and Development (UNCTAD), will be attended by delegates from Bangladesh, Burma, China, India, Indonesia, Nepal and Thailand.

Mr. Matiur Rahman, Bangladesh Commerce and Foreign Trade Secretary, said Bangladesh will press at the conference for an integrated approach to world jute trading to protect its market from the incursion of synthetic fibres.

"Our stakes are very high because we get all our earnings from jute."

The meeting was likely to urge a lifting of tariff barriers on jute by the world's developed nations and the establishment of uniform freight rates, he said.

Reuter

U.S. STOCKPILE

Flexible buying plan to avoid disruption

BY DAVID BELL IN WASHINGTON

AMERICAN OFFICIALS still believe that their plan, unveiled last week, to increase holdings of many of the commodities now in the nation's strategic stockpile, should have no serious effect on world demand for these metals and other raw materials.

They have reiterated in the past few days their determination to proceed warily, intervening in the market very carefully so as to avoid any charge that they have been forcing up prices.

In any case, they point out, they will have to wait at least until next February—or the next fiscal year beginning October 1977—for Congress to appropriate more funds to finance new purchases and maybe, if there is a Democratic Administration, much longer before they begin to rebuild stocks of many of the 93 materials that now make up the strategic stockpile.

Reversal

Nevertheless, and however discreetly the U.S. proceeds, the new stockpile targets are bound to have some effect on the market and on industrial demand for the materials. Major companies are expected to monitor U.S. buying very closely and to adjust their own stock policy accordingly if the plan goes ahead.

The Government stockpile policy is a reversal of the one set by former President Nixon in 1973. He decided at that time that the stockpile could safely be reduced so that it was adequate to meet U.S. needs for the first year only of an all-out war. President Ford, however, has accepted a study by the Federal Preparedness Agency which suggests that the U.S. would be wiser to have enough key materials on hand for a three-year war at the least and has ordered the FPA to once again start increasing the stockpile.

Last Friday Major General Leslie Bray, head of the FPA, told a news conference that this inevitably means that the Government will be entering the market in the years ahead to buy a very broad range of raw materials. Almost all the materials in the present stockpile were bought before 1959. The minerals, metals and other materials it now comprises are valued at current prices at some $7.4bn.

Major General Bray said that when the enlargement of the stockpile had been completed its value would "considerably exceed" that of the present one, but he would not be drawn on how much the new value might be saying that this would be misleading and "do an injustice to the new programme." He noted that the FPA study suggests that some of the materials now stockpiled can be disposed of but he said that the Government would want to increase its purchases of some 72 materials and actually dispose of only about 12 categories of material. Goals for some eight materials would remain essentially unaltered.

In the case of copper, to take the metal that has so far reacted as much as any other to the stockpile decision, the decision to increase the amount kept in reserve is widely believed to have at least some connection with current U.S. Administration policy on Africa although it is impossible to get any firm confirmation of this.

Meany dealers suspect that Dr. Henry Kissinger, in trying to get Zambian backing for the U.S.-British Rhodesian peace proposal, may have promised President Kaunda that the U.S. would itself buy up fairly large quantities of copper in the months ahead to help revive the flagging Zambian economy.

Such rumours may be true, but it should also be pointed out that the FPA clearly does intend to bend over backwards to avoid charges that it is manipulating world prices. And to do as the market suspects Dr. Kissinger is doing, might be a dangerous precedent.

Whatever happens when and if the buying gets under way the FPA has now started to develop what it calls "major programmes of both acquisitions and disposals," although it will not say precisely which metals are to be bought first. But the agency does say that it plans to rebuild stocks over a number of years.

In a key paragraph of the document released by the FPA the Agency noted that "it is fully recognised that for some materials there are considerable shortfalls between what is presently in the stockpile and the requirements of the new stockpile goals.

"For those materials there is no intention to move injudiciously to offset these shortfalls. In particular very careful consideration will be given to the effects of stockpile decisions on current market conditions."

To help it buy properly the agency is to draw up an annual materials plan which will be integrated into the nation's overall budget and will make proper allowance for national security planning, market and other economic conditions and the amount of money available. Meawhile the agency is classifying stockpile materials into three distinct groups—defence, essential civilian and general civilian.

Clearly it will pay the most attention to the first of these and, the agency says, "separate estimates for each year of an assumed war and related priority based upon the three groups can also be used."

All of this will be translated into flexible strategic stockpile goals for each material. But agency officials stress that these are not and will never become "planned commitments by the U.S. to buy or sell any specific quantities of materials" at a given time.

The agency is well aware that there are two major groups of which it must take particular notice as it goes ahead with its policy. The first is Congress, which failed to act before recessing last week on an Administration proposal to dispose of some $570m. worth of silver, tin and antimony from the stockpile.

Reassured

Although the various Congressional committees concerned with the sale were reassured by the Defence Department that this sale was not inconsistent with the new stockpile policy they apparently came under some pressure from producers who were concerned about the possible disruption of prices that would accompany the sale.

The second major influence on the agency is the corporate sector. The agency notes that "the new stockpile planning process and flexible stockpile goals means that corporate planners may need to develop equally flexible plans that can be readily adjusted for changes in the levels of the stockpile.

The agency has released a long list of these goals, but it notes that the new annual materials plan will have to be approved each year by Congress, that buying policy will be extremely flexible and that "stockpiling actions will be planned so as not to disrupt commercial markets in affected materials. The rate of the acquisition and disposals for a given material may therefore vary from year to year even though the goal is unchanged.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

PPER—Easier on the London Metal ange in depressed atmosphere. With the pound weak, forward metal opened steadily at £876 and at one stage touched £879 on covering against physical business, but in the afternoon sentiment was further damaged by a weak New York opening. The price drifted and with the pound somewhat stronger it closed on the Kerb after a day of thin trading at £869.5-[illegible]. Turnover, 3,700 tonnes.

PER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
ebars				
[illegible]	843.5-4	—.5	837-.5	—7.5
nths	878-.5	—.5	871.5-2	—7
em'nt	844	—.5	—	
odes				
[illegible]	826-.5	—4.25	824.5	—7.5
nths	861-.5	—3	857.5-8.5	—7
em'nt	826.5	—4.5		
Smt.			[illegible]	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £844, 43.5; three months £878, 77, 78, 79, 78.5. Cathodes: Cash £830, 29, 27.5, 28.5; three months £861. Kerb: Three months £876, 76.5. Afternoon: Wirebars: Cash £837.5; three months £873, 72.5, 72, 71.5, 72. Cathodes: Three months £858, 57.5. Kerb: Three months £870.5, 70, 69.5, 69, 68.5. Cathodes: Three months £856.5.

TIN—Very firm as prices climbed again to record levels. Forward metal opened strongly at £5,010 after heavy trading overnight in the East, where prices remained at the ITA ceiling and where the buffer stock manager was again thought to be a seller. With sterling weak the price touched £5,050 in London pre-market and remained steady with some physical business from European sources which prompted covering. News of a coup in Thailand pushed the level to £5,120, but in the afternoon the news was absorbed and selling developed from New York. Profit-taking and sales thought to be on behalf of the buffer stock manager took the price down to close on the Kerb at £5,085. Turnover, 2,375 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4933-7	+102½	4932-5	+85
3 months	5082-4	+109½	5082-5	+95.5
S'ment	4937	+102	—	......
Standard				
Cash	4933-7	+102½	4932-5	+85
3 months	5082-4	+109½	5082-5	+95.5
S'ment	4937	+102	—	......
Straits E.	$1200	......	—	......
New York	—	......	—	......

Morning: Standard: Cash £4,935; three months £5,070, 75, 80, 85, 90, 75, 70, 80, 83. Kerb: Standard: Three months £5,080, 75. Afternoon: Standard: Cash £4,930; three months £5,100, 5,090, 80, 85. Kerb: Standard: Cash £4,915; three months £5,080, 75, 85.

LEAD—Steady, encouraged by further sustained buying from one quarter thought to be representing Continental interests. Sterling considerations prompted a firm opening for forward metal in the rings at £305, but this level was not maintained. Sterling's gain in the afternoon and a disappointing performance in New York caused the price to close on the Kerb after a day of active trading at £303. Turnover, 4,690 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	290.5-.75	+.375	290-.5	—.25
3 months	303-2-.75	—.125	303-.5	+.25
S'ment	290.75	+.25	......	......
N.Y. Spot	—	......	*3.5-3	......

Morning: Cash £291, 90.5; three months £305, 04.5, 04, 04.5, 04, 03.5. Kerb: Three months £304. Afternoon: Three months £303, 03.5, 04, 04.5, 04, 03.5. Kerb: Three months £303, 02.5.

ZINC—Barley changed in thin trading with the market unsettled by news of Bunker Hill price changes. Forward metal opened steadily at £433 in the rings and closed on the Kerb at £430. Turnover, 4,325 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
		£		
Cash	412-.5	—.5	411.5-2.5	—.75
3 months	429.5-30	—.75	429.5-30	......
S'ment	412.5	—.5	—	......
Prim. West	—	......	*37-40	......

Morning: Cash £412.5; three months £433, 31, 30. Afternoon: Late-Dec. £428.5; three months £430, 29.5. Kerb: Late-Oct. £427.5.

*Cents per pound. †On previous unofficial close. ‡$M per picul.

SILVER

Silver was fixed 2.8p an ounce higher for spot delivery in the London bullion market yesterday at 262.7p. U.S. cent equivalents of the fixing levels were: spot 430.7c; three-month 433.9c; six-month 437.9c and 12-month 449.3c. The metal opened at 261.4-262.4p (430-432c) and eased in modest trading to 258½-259½p (428-430c) by the close.

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	262.7p	+2.8	259.35p	—1.4
3 months	271.7p	+2.8	268.85p	—0.85
6 months	281.7p	+2.8	—	......
[illegible]	—	......	282.5p	—0.5
12 months	301p	+5.8		......

LME—Turnover 261 (255) lots of 10,000 ozs. Morning: Cash 261.6, three months 271.5, 1.0, 1.1. Kerb: three months 271.0. Afternoon: three months 269.4, 9.2, 9.4, 9.5, 70.0, 69.8, 9.9, 9.0, 8.8, 8.6, 8.8, 8.9, 8.8. Kerb: three months 268.8, 8.9, 9.0, 8.8, 8.5, 8.3, 8.6, 8.2.

FREIGHTS

DRY CARGO—There was a considerable contraction in volume of North American grain chartering although rate indications showed little change. Grain bookings included Toledo to the U.K. at $19 for Oct.-Nov., Baie Comeau to Antwerp/Hamburg range at $8.25 fio for Oct. and U.S. West Coast to West Italy at $13.50 fio for Oct.-Nov. South American grain shippers covered a cargo from the River Plate to Bordeaux/Hamburg range at $16 free discharge for Oct. A cargo of wheat was fixed from West Australia to Kuwait at $18.10 free discharge for Oct.

Miscellaneous charters included ore from Rio de Janeiro to Burnside at $3.90 fio for Oct.-Nov. Time charterers fixed a vessel of 44,970 long dwt for four to six months' trading at $3.10, delivery Brazil Oct. and a vessel of 33,329 long dwt for a voyage to Key West to Indonesia at $5,500 daily Oct.-Nov.

COCOA

Despite the initial weakness of sterling prices failed to move higher, reports Gill and Duffus. The market later followed New York and went sharply downward with long liquidation and allied short selling.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Cont'ct			
December	1586.0-88.0	—14.50	[illegible]-1587.0
March	1548.0-48.5	—27.25	[illegible]-1548.0
May	1506.5-07.0	—19.25	1552.0-1504.0
July	1475.0-77.0	—19.50	1530.0-1476.0
September	1447.5-48.0	—14.25	1492-1446.0
December	1378.0-88.0	—25.50	1425.0-1410.0
March	1355.0-58.0	—27.00	1395.0-1358.0

Sales: 5,729 (3,747) lots of 10 tonnes.

INTERNATIONAL COCOA AGREEMENT (U.S. cents per pound)—Daily 112.93 (114.49); 15-day average 109.91 (109.30); 22-day average 109.59 (109.29).

COFFEE

Robusta futures weakened during the afternoon under profit-taking and local selling touched off by a limit-down move in New York. In the background was an easing of pressure on sterling in currency markets.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
November	1655-1660	—18.00	1691-1651
January	1646-1645	—20.00	1685-1640
March	1622-1625	—19.00	1665-1620
May	1609-1610	—17.00	1648-1608
July	1603-1605	—18.50	1640-1600
September	1595-1605	—12.50	1628-1600
November	1595-1599	—8.50	

Sales: 1,888 (2,493) lots of 10 tonnes.

ICO indicator prices (U.S. cents per pound)—Colombian Mild Arabicas 187.00 (186.75); unwashed Arabicas Santos Fours 159.50 (same); other Mild Arabicas 169.67 (169.00); Robustas 145.75 (144.25). Daily average 157.71 (156.13).

RUBBER

STEADIER opening on the London physical market. Good interest throughout the day, closing on a firm note. Lewis and Peat reported a Malaysian godown price of 209 cents a kilo (buyer, Nov.).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Nov.	61.50-62.50	59.50-60.25	62.00-59.80
Dec.	62.00-63.00	59.50-61.00	62.00-59.25
Jan-Mar	63.00-63.50	61.00-61.75	64.25-62.70
Apr-Jne	65.30-65.60	64.65-64.75	66.60-64.40
Jly-Sept	68.10-68.20	66.60-66.65	68.70-68.00
Oct-Dec	70.60-70.90	68.80-69.00	71.00-68.40
Jan-Mar	71.90-72.00	68.8-71.25	75.00
Apr-Jne	71.00-72.50	69.6-71.60	72.20-72.15
Jly-Spt	71.00-73.50	70.15-71.75	

Sales: 15 (6) lots of 5 tons 384 (286) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 56.5p (55.0); Nov. 57.0p (54.5); Dec. 56p (55.5).

GRAINS

THE BALTIC—Current transhipments of optional corn revived buying interest at lower price levels. Oct. traded to East and West Coast ports at £82.30 a tonne cif free-out.

Wheat—EEC Feed Oct. £85.00 East Coast.

Maize—No 3 Yellow American/French Oct. £82.50 transhipment East Coast.

Barley—EEC Feed/Canadian Oct. £82.25 South Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Closing: Nov. £84.15, Jan. £86.70, March £89.20, May £91.25, Sept. £92.05. Business: Nov. £84.10-£83.90, Jan. £86.80-£86.25, March £89.20-£88.70, May £91.15-£90.85, Sept. £92.75-£92.50. Sales: 264 lots.

Barley, steady. Closing: Nov. £81.55, Jan. £84.30, March £86.70, May £88.75, Sept. £81.30. Business: Nov. £81.60-£81.25, Jan. £84.45-£84.20, March £86.60-£86.35, May £88.70-£88.55, Sept. £81.10-£80.90.

MARK LANE—Values generally held steady in light merchant dealer trading. Nov.-Dec. deliveries of milling wheat traded to the London area at £88.30 a tonne and May at £94. Dec. deliveries of denaturable wheat made £86 a tonne. Liverpool paid £86 for Oct. parcels of denaturable wheat and £87 for Nov. deliveries. Average sellers quotations for delivery London area: wheat milling Nov.-Dec. £88.50; denaturable Nov.-Dec. £85.70. Barley feed unquoted.

HGCA—Location ex-farm spot prices: Non-breadmaking milling wheat: Essex £82.70, Shropshire £83.00. Feed wheat: Essex £81.70, Shropshire £82.00. Feed barley: Essex £80.20, Shropshire £80.20.

The U.K. monetary co-efficient for the week from October 11 will increase to 1.350.

EEC IMPORT LEVIES — Effective to-day (in order current levy plus Nov., Dec. and Jan. premiums, with previous in brackets): Common wheat—69.82, nil, nil, nil (69.44, nil, nil, nil). Durum wheat—117.12, nil, nil, nil (114.18, 0.72, 0.72, nil). Rye—53.93, nil, nil, 0.59 (51.16, nil, nil, 0.59). Barley—51.77, nil, nil, nil (50.25, nil, nil, nil). Oats—28.98, 0.78, 0.78, nil (27.49, 0.78, 0.78, nil). Maize (other than hybrid for seeding)—44.16, 1.54, 1.54, 0.20 (42.82, 0.78, 0.78, 0.20). Buckwheat—All nil (same). Millet—45.83, nil, nil, nil (42.75, 0.39, 0.39, nil). Grain sorghum—46.44, nil, nil, nil (same).

Also for flours: Wheat or mixed wheat and rye—107.38 (103.25). Rye—85.12 (82.64).

SOYABEAN MEAL

Market opened easier but recovered to about unchanged on the day on rumours that E.E.C. milk powder proposals had been rejected, reports SNN Commodities.

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
October	133.50-34.0	+1.25	—
December	141.2-41.5	+0.20	141.60-40.00
February	147.1-47.5	+0.20	147.50-45.50
April	150.0-51.5	+2.56	150.60-49.00
June	152.5-55.0	+4.25	
August	154.5-58.0	+4.75	156.00
October	156.5-60.0	+3.75	157.00

Sales: 144 (67) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £136.00 (£125.00) a ton cif for Oct.-Nov. shipment. White sugar daily price was fixed at £165.00 (£162.00).

The renewed weakness of sterling and buying on a chart basis lifted prices £2.00 above overnight levels, reports C. Czarnikow. But there was no follow-through so that quotations drifted. By mid-afternoon losses of 350 points had been recorded. Later, the EEC result stimulated short-covering. The market recovered half the losses by the close.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec.	131.95-32.00	133.55-34.00	134.50-30.60
March	[illegible]	141.50-42.00	[illegible]
May	144.35-44.75	148.75-47.00	[illegible]-45.00
Aug.	149.75-50.00	154.25-52.4	155.60-[illegible]
Oct.	155.00-56.00	[illegible]	[illegible]
Dec.	162.05-62.5	162.05-64.0	[illegible]-61.00
March	165.00-67.00	[illegible]-67.00	[illegible]-65.00

Sales: 2,462 (3,957) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £224.00 (same) a tonne for home trade and £196.00 (£191) a tonne for export.

EEC IMPORT LEVIES—Effective to-day for denatured and non-denatured sugar, in units of account per 100 kilos (previous in brackets): White 17.37 (17.55). Raw 16.32 (16.69).

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 47.0 to 49.5. English hindquarters 53.0 to 57.5. Ulster hindquarters 56.0 to 58.5, Ulster forequarters 37.0 to 39.5. Eire hindquarters 56.0 to 58.0. Eire forequarters 37.0 to 38.5.

Veal: English fats 54.0 to 58.0. Scotch bobbies 18.0 to 22.0. Dutch hinds and ends 70.0 to 76.0, hinds and ends 78.0.

Lamb: English small 42.0 to 48.0, small 49.0, medium 44.0 to 47.0; heavy 42.0 to 46.0. Scotch medium 44.0 to 48.0, heavy 42.0 to 44.0, hill 38.0 to 48.0. Imported frozen: NZ PL 44.5 to 45.0, PM 43.0, PH 40.0, YL 43.5 to 44.0.

Pork: English, under 100 lbs 32.0 to 39.0, 100-120 lbs 32.5 to 38.0, 120-160 lbs 30.0 to 36.0, 160-180 lbs 30.0 to 33.0.

MEAT COMMISSION—Average fatstock prices at representative markets on Oct. 6. GB—Cattle £31.07 per live cwt (+1.04). U.K.—Sheep 51.7p per lb edcw (+2.9). GB—Pigs £4.73 per sc lw (+0.04). England and Wales—Cattle numbers down 3.0 per cent., average price £31.34 (+0.96). Sheep down 3.5 per cent., average price 54.4p (+3.1). Pigs down 23.4 per cent., average price £4.73 (+0.04). Scotland—Cattle down 11.3 per cent., average price £30.68 (1.15). Sheep up 36.7 per cent., average price 50.9p (+3.6). Pigs down 22.0 per cent., average price £4.69 (+0.22).

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—S. African: 56 4.33, 72 4.60, 88 4.55, 113 3.20, 138 3.30, 150 3.05; Californian: 4.20-4.80. Grapefruit—S. African: 56 3.00, 64 2.50; Dominican: 3.30-4.30. Lemons—S. African: 80/196 4.20-5.30; Italian: Special 4.50-5.00; Chilean: 4.60; Cypriot: 4.50-5.00; Turkish: 4.00. Apples—French: Golden Delicious 1.90-2.30, Stark Crimson 2.10-2.20, Granny Smith 2.90-3.00, 28 lbs Golden Delicious 2.10-2.40; Starking Delicious 2.00. Pears—Italian: Per pound Williams 0.13-0.14. Plums—Italian: 30 lbs Anna Spath 2.20; Romanian: Anna Spath 1.70. Melons—Spanish: Yellow 1.60-2.30, Green 1.80-2.00. Grapes—Spanish: Per 10 lbs Black 1.70; Almeria 1.40-1.55. Onions—Per 25 kgs Spanish: 4.00-4.90. Capsicums—Dutch: 2.00. Cucumbers—Canary: 10/16 2.00-2.20. Tomatoes—Guernsey: 1.10-1.30; Jersey: 1.00; Spanish mainland: 0.90-1.10. Chestnuts—Italian: 10 kilos 3.00-3.70; French: 2.60. Walnuts—Grenoble: 5 kilos 3.20. Dates—Algerian: 0.32-0.36 per box. Pomegranates—Spanish: Per box 30/70 2.30-2.40.

English produce: Apples—Per pound, Bramley's Seedling 0.07-0.09, Derby's 0.05-0.07, Worcester Pearmain 0.05-0.08, Cox's Orange Pippin 0.08-0.12, Lambourne 0.06-0.08. Pears—Per pound Conference 0.04-0.07, Beurre Hardy 0.05. Tomatoes—Per box 12 lbs 0.80-1.00. Cucumbers—Per box 1.80-2.20. Mushrooms—Per pound 0.30-0.40.

WOOL FUTURES

LONDON—Market resisted lower overseas advices and maintained improvement assisted by weaker sterling in continuing good volume, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's close	+ or —	Business Done
October	238.0-42.0	—4.00	239.0
December	247.0-47.5	+1.50	249.0-46.0
March	262.0-63.0	+2.75	264.0-60.5
May	270.5-73.0	+2.75	272.0-68.5
July	282.0-84.0	—4.7	283.0-76.5
October	286.0-91.0	—2.25	—
December	288.0-94.0	+4	
March	291.0-93.0	—7.00	—

Sales: 109 (137) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—Oct. 292.0, 292.5, 293.3-292.0, 143; Dec. 310.5, 302.0, 303.0-301.0, 58; March 315.0, 315.2, 317.0-314.8, 92; May 322.5, 322.7, 324.0-322.5, 45. Micron contract—July 332.0, 333.5, 333.0-332.0, 56; Oct. 333.0, 333.5, 333.5-333.0, 24; Dec. 335.5, 335.8, 335.5-335.0, 15; March 337.2, 338.5, 337.5-337.5, 2.

JUTE

LONDON—Quiet. Bangladesh White 'C' grade Oct.-Nov. $381; 'D' grade Oct.-Nov. $362 a long ton.

Calcutta—Steady. Indian spot Rs.455.00 a bale of 400 lbs.

DUNDEE—Firm. Prices c. and f. U.K. for Oct.-Nov. shipment. BWC £223, BWD £211. Tossa BTB £225, BTC £223, BTD £213. Calcutta goods steady. Quotations c. and f. U.K. for Oct.-Nov. shipment, 10-ounce, 40-inch £8.65, 7½-ounce £6.59 per 100 yards. Dec. £8.67 and £6.79. B Twills £24.68 and £25.06 for the respective shipment periods. Yarn and cloth prices firm.

*

COTTON, Liverpool—Spot and shipment sales amounted to 349 tonnes, the largest daily figure for a month. This brought the total for the week so far to 994 tonnes, reports F. W. Tattersall. Substantially increased demand covered a wide range of Middle Eastern, African and South American qualities. Spinners were evidently in more need of replenishments although forward operations were mainly reported.

*

GRIMSBY FISH—Supply moderate, demand good. Prices per stone at ship's side, unprocessed: Shelf cod £3.20-£4.00, codlings £2.80-£3.50, large shelf haddocks £3.20-£3.60, medium haddock £2.80-£3.20, small haddock £1.70-£2.20; large plaice £4.50, medium plaice £3.80-£4.80, best small plaice £3.00-£3.60; large skinned dogfish £5.00, medium £3.80; Saithe £1.50-£1.80; Rock fish £2.30; lemon soles £6.00-£6.50; reds £1.50-£1.70.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 6 1976	+ or —	Month ago
Metals			
Aluminium (a)	£579	......	£567.5
Free Market (cif)	$870-880	—5.0	$865-885
Copper			
Cash Wire Bars (a)	£837.25	—7.5	£847
3 months do. do. (w)	£871.75	—7.0	£877.25
Cash Cathode (w)	£824.5	—7.5	£836.5
3 months do. do. (w)	£858	—7.0	£865.5
Gold Troy oz.	$115.875	+0.75	$115
Lead Cash (w)	£290.2	—0.25	£276.5
3 months (w)	£303.25	+0.25	£286.75
Nickel (a)	[illegible]	......	£2,795.5
Free Market (cif) (lb)	$2.09	......	$2.07-2.1
Platinum troy oz.	£109-115	+8.0	£105-08
Free Market	£97.9	+0.05	£88-85
Quicksilver 76lbs.	$100-105	......	$79-84
Silver Troy oz.	262.7p	+[illegible]	245.6p
3 months	271.7p	+2.8	252.6p
Tin Cash (w)	£4,935.5	+85.0	£4,509
3 months (w)	£5,085.5	+95.5	£4,603.5
Wolfram 22.04lb. cif	£74.5-78	......	£72-74
Zinc Cash (w)	[illegible]	+0.375	£415.5
3 months (w)	£429.75	......	£429.25
Producers	$796	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut $	£506	......	£452
Linseed Crude (a)	£450	......	£458
Palm Malayan (a)	$445	+5.0	$445
Soyabean (u)	‡	......	‡
Seeds			
Copra Philipp (a)	$550	—7.5	$540
G'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	£201.75	......	£194.5
Grains			
Barley EEC	£82.25	—1.25	£76.25
Home Futures	£81.65	+0.15	£77.95
Maize			
French No. 3 Am.	£82.5	1.5	£77
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	£80.25
Australian (f.a.q.)	‡		
English Milling (x)	£88.5	+2.5	£87
Cocoa Shipment (a)	£1,615	—14.0	£1,475.5
Futures March	£1,546.2	—27.25	£1,454
Coffee shipment (c)			
Futures Jan. (b)	£1,644	—20.0	£1,555.5
Cotton 'A' Index cent.	86.1	+0.1	86.35
Jute LJABWC (d)	$381	......	$381
Rubber kilo	56p	......	47.5p
Sisal SASL (a)	$600	......	$600
Sugar (Raw)	£130	+5.0	£118
Wooltops 64s kilo	[illegible]	......	275p
Cloves: Madagascar	[illegible]		£5,250
Pepper White ton	[illegible]	+20.0	£1,190
Black ton	[illegible]	+30.0	£985

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa. U.S. cents a pound. d Bangladesh white "C." h Jan.-March. k Oct.-Dec. r Sept. u Metric tons.

FINANCIAL TIMES

Oct. 6	Oct. 4	Month ago	Year ago
[illegible]	245.05	240.50	176.64

(Base: July 1, 1952=100)

REUTER'S

Oct. 6	Oct. 5	Month ago	Year ago
[illegible]	1532.4	1482.6	1150.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Oct. 5	Oct. 4	Month ago	Year ago
Spot	345.27	346.05	342.68	308.85
Futures	347.34	347.00	347.78	390.67

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 5	Oct. 4	Month ago	Year ago
Sole Commod'y	816.6	820.5	839.5	807.9

(December 31, 1931=100)

HIDES—Leeds. Easier with no clearance on most grades. Weaker with only a few hides held. Second clear ox 31-35½ kilos withdrawn 55p per kilo; 26-30½ kilos withdrawn 55.5p; 22-25½ kilos withdrawn 59p. Light cows withdrawn 57.2p. No calf offered.

*

COPRA, Philippines—Oct.-Dec. $550 resellers a tonne, cif North European ports

U.S. Markets

Precious metals decline

NEW YORK, Oct. 6.

PRECIOUS metals closed lower on commission house selling, Bache reports. Grains closed a little better on commercial support. Coffee closed higher on continued trade support. Sugar closed a little lower on local selling. Cocoa closed lower on long liquidation.

Cocoa—Ghana spot 129½ nom. (134¼). Bahia spot 127 nom. (129). Dec. 117.00 (119.15), March 112.60 (114.60), May 107.60, July 103.60, Sept. 99.65, Dec. 93.35 nom. March unquoted. Sales 1,971.

Coffee—"C" Contract: Dec. 171.75 (169.25), March 165.00-165.10 (163.45), May 162.40-162.70, July 160.50-160.80, Sept. 157.00 asked, Dec. 151.50-153.00, March unquoted. Sales 787.

Copper—Oct. 63.80 (64.20), Nov. 63.10 (64.50), Dec. 63.60, Jan. 64.10, March 65.20, May 66.30, July 67.30, Sept. 68.30. Sales 6,324.

Cotton—No. 2: Oct. 80.40 (80.30), Dec. 81.50-81.60 (81.00), March 82.30-82.40, May 82.40, July 80.65-80.75, Oct. 71.90, Dec. 68.00, March 67.65-67.75. Sales 5,550.

ΦGold—Oct. 114.30 (114.10), Nov. 114.40 (114.20), Dec. 114.50, Feb. 114.60, April 114.90, June 115.40, Aug. 116.10, Oct. 116.80, Dec. 117.50, Feb. 118.30. Sales 1,063.

Greasewool—Spot 180.0 nom. (same). Oct. 172.5-181.0 (172.5), Dec. 177.5-182.0 (177.5), March 177.5-188.0. May unquoted.

†Lard—Chicago loose 17.75 (same). NY prime steam 19.25 traded (same).

††Maize—Dec. 270-270½ (269½), March 279-279½ (278½), May 284½, July 287½, Sept. 279½, Dec. 270½.

‡Platinum—Oct. 162.50 (161.30), Jan. 166.00 (165.60), April 169.90, July 173.40, Oct. 176.00, Jan. 180.20. Sales: 925.

‡‡Silver—Spot 435.0 (450.0), Oct. 429.20 (433.30), Nov. 430.60 (435.40), Dec. 432.20, Jan. 435.70, March 438.10, May 442.60, July 447.10, Sept. 452.00, Dec. 459.80, Jan. 462.40. Sales 9,590.

Soyabeans—Nov. 641-645 (640), Jan. 653½-655 (648), March 659, May 660½-661, July 661, Aug. 659.

||Soyabean Meal—Oct. 176.50 (176.50), Dec. 182.00-182.50 (181.80), Jan. 184.00-184.50, March 186.00-187.30, May 187.00-187.30, July 188.00, Aug. 187.50.

Soyabean Oil—Oct. 21.25-21.30 (21.27), Dec. 21.50-21.55 (21.48), Jan. 21.70, March 21.85, May 21.85-21.90, July 21.85, Aug. 21.75-21.85.

Sugar—No. 11: Spot 8.89 (8.71), Jan. 8.85 nom. (8.82), March 9.17-9.18 (9.13), May 9.42-9.48, July 9.65-9.66, Sept. 9.70-9.67, Oct. 9.76-9.71, Jan. unquoted, March 10.02 nom. Sales 5,669.

Tin—369.50-379.00 asked (373.00-385.00).

**Wheat—Dec. 291½-292 (289½), March 303-303½ (301½), May 308½, July 314½, Sept. 321 nom., Dec. 339.

WINNIPEG, Oct. 5. ††Rye—Oct. 243½ bid (243), Nov. 248½ asked (247½), Dec. 245½ asked, May 101.00 asked, July 100.90.

*Oats—Oct. 123 bid (124), Dec. 124½ asked (125), May 94.80 asked, July 94.50 asked.

§Barley—Oct. 190½ bid (190½), Dec. 193½ asked (194), May 92.4 asked, July 94.30 asked.

dFlaxseed—Oct. 697½ bid (704), Nov. 704 asked (700), Dec. 708½ asked, May 699.40 asked, July 385 nom.

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 357 (355½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. || New "B" contract in $'s a short ton fob cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 36-lb bushel ex-warehouse, 5,000 bushel lots. r Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Stock markets depressed by fresh weakness in pound

Share index down 8.7 at a low for the year of 310.6

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sep. 20	Sep. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Marked weakness in sterling, which gave rise to renewed talk of higher interest rates and other possible economic measures, contributed to a thoroughly demoralising day in stock markets. British Funds led the way down on fears of a rise in Minimum Lending Rate following indications of a sharp rise in the money supply from the latest lending figures issued by the clearing banks. Although slightly off the bottom, losses in the sector ranged to ¾ and the Government Securities index fell 0.33 to a low for the year of 58.80.

Defensive marking down of leading equities by a few pence or so failed to deter sellers at the opening and, with the market unwilling takers, prices were soon showing substantial falls. A technical rally developed during the afternoon and final quotations in most cases were above the worst, but the tone in the late dealings was still very tender. Down 10.7 at its lowest of the day at 11 a.m., the FT 30-share index closed a net 8.7 off at 310.6, making a fall of 110.2, or 26 per cent. from its May 4 higher for the year. This compares with a loss of 42.66, also 26 per cent., in the FT Actuaries 496 Industrial group index over the same period.

Secondary issues followed in the wake of the leaders as reflected in the 11-2 majority of falls over rises in FT-quoted Industrials. Revived fears of higher interest rates left Property shares with losses well above average and the FT-Actuaries index for the sector gave up 5.9 per cent. to a low for the year of 119.32 compared with a fall of 2.2 per cent. to 130.74, also a 1976 low, in the All-Share index.

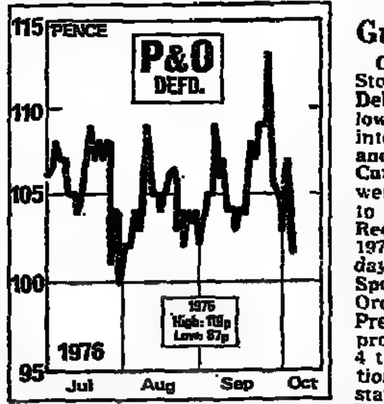
Gilts unsettled

The combination of sterling's troubles and returning interest rate fears, a rise in Minimum Lending Rate was thought to be in the offing to-morrow, was too much for Gilt-edged. Although dealers took defensive action at the opening, stock still came on offer and the downturn gathered pace, bringing losses extending to ¾ at the longer end before a faint rally late reduced them to ⅝. For the shorts, there was little recovery and higher-coupon issues sustained losses on par with those among the longs. Corporations, too, followed with falls to ½.

Sterling's latest plunge triggered a fresh upturn in the investment currency premium and, following a combination of revived institutional demand and arbitrage selling, which made conditions more active than recently, the premium rose to 133 per cent. before closing a net 2¾ points up at 131 per cent. Yesterday's SE conversion factor was 0.6825 (0.6852).

Discounts react

Hardest hit in the banking sector yesterday were Discounts which lost ground in sympathy with gilt-edged. Union fell 15 to 260p, while Alexanders gave up 5 at 155p. Clive disregarded the interim dividend payment and lost 3 at 47p, while Jessel Toynbee, interim report due October 20, shed 2 to 58p. Home Banks, although easier, encountered only a small trade. National Westminster lost 7 to 195p. Bank of Scotland also gave up 7, at 208p. Despite a firmer dollar premium, foreign banks were often easier, Hongkong and Shanghai losing 7 at 333p. Merchant Banks to lose ground included Hambros, 7 off at 128p, Keyser Ullmann, 3 lower at 21p, and Guinness Peat, 5 down at 140p. G. R. Dawes, 3 easier at 72p, held that level after late afternoon news of the results. Hire Purchases were featured by a loss of 4 to 47p in Lloyds and Scottish, while Wagon Finance gave up 3 at 32p.



Insurances were easier, but often closed above the day's worst. Royals ended 4 lower at 248p, after 244p. Phoenix declined 6 to 160p, and Eagle Star lost 4 at 93p. Hambro Life closed 8 down at 157p, after 153p. Brokers had Leslie and Godwin only 1 off at 109p, after 105p, while C. E. Heath declined 10 to 370p.

Scattered falls in the Brewery leaders included Bass, 3 cheaper at 84p and Allied, 1 down at 54p. Elsewhere, Distillers ended a shade off the bottom at 111½p, down 2. Still reflecting the sharp fall in the half-yearly profits, Gough Brothers lost 2½ more to 24½p.

Buildings moved into reverse with Taylor Woodrow falling 9 to 216p, while John Mowlem lost 5 to 68p in front of to-day's interim figures. Tunnel "B," 130p, and L. Fairclough, 150p, gave up 6 apiece. Higgs and Hill shed 2 to 31p on further consideration of the interim results, while losses of 4 were seen in BPB Industries, 110p, and SGB, 64p. International Paint were noteworthy for a reaction of 25 to 255p.

ICI, the day's most active stock, closed 6 easier at 295p, while Fisons retreated 9 to 257p.

Gussies "A" on offer

Gussies "A" featured drab Stores with a fall of 9 to 139p. Debenhams gave up 4 to a 1976 low of 58p in front of to-day's interim statement, while Marks and Spencer shed 2 to 82p, while Currys shed 4 to 70p. Mothercare were notable for a reaction of 8 to a 1976 low of 150p. Austin Reed "A" shaded a penny to a 1976 low of 27p in front of to-day's interim figures, while Cope Sportswear lost 3 to 24p. Mail Orders gave ground following Press comment on the industry's prospects. Empire Stores fell 4 to 68p, while further consideration of the respective interim statements left Grattan Warehouses 3 easier at 71p and Freemans (London) 5 cheaper at 128p.

Awaiting to-day's preliminary statement, EMI reacted to a 1976 low of 185p before closing a net 5 cheaper at 189p. Reyrolle Parsons, 102½p, and GEC, 124p, both finished around 3 easier, while Plessey eased 2 to 65p. After Tuesday's falls of 10p following the Price Commissions criticism of the high level of profitability of the television rental business, Thorn Ordinary and "A" shares declined 6 more to 156p and 154p respectively.

Tube Investments were the chief casualty again in Engineerings, falling 8 to 268p, after 262p, while GKN shed 4 to 242p, after 238p, and Hawker only 2 to 346p. John Brown traded quite freely and closed 2 cheaper at 90p, having been 89p earlier. Weyburn suffered elsewhere, losing 14 to 286p, while Pegler-Hattersley, 124p, Martonair, 84p, and Fairey, 58½p, were all about 4 down. Favourable news items made no impression and Johnson and Firth Brown reacted 3 to 45p, Averys, 1 to 95p, and Senior, ½ to 15¼p. Both factions in the Babcock and Wilcox/Herbert Morris bid situation lost ground, the former cheapening 3 to 61p and the latter 4 to 118p. Of the few firm counters, A. Cohen were raised 5 to 120p, while Molins gained 1 to 100p after the interim results and statement.

Foods closed with a lengthy list of falls folowing an improved turnover. After the previous day's fall of 5 on adverse Press comment, J. Lyons lost 4 more to 46p. Tate and Lyle declined 7 to 216p, while Northern Foods, 55p, and Rowntree Mackintosh, 170p, lost 5 and 9 respectively. J. Sainsbury gave up 6 to 113p. Spillers and RHM were 1½ easier at 29p and 35½p respectively and, in Hotels and Caterers, Grand Metropolitan, 52p, and Trust Houses Forte, 76p, both ended 3 cheaper.

Rockware fall

Despite higher interim profits, an encouraging report on prospects for the second-half and an interim dividend increased by 10 per cent. on last year's total dividend, Rockware fell 6 to 66p. A similar loss was sustained by Petrocon at 62p on disappointment with the second half performance, while Holt Lloyd, at 63p, more than lost Tuesday's rise of 2½ which followed good interim figures. The higher dividend forecast failed to help Hestair, which shed 2 to 72p. The market had already taken into account news from Lawtex of a sharp fall in profits and reduced dividend for the year and the shares eased only a penny to 18p. Leading Miscellaneous Industrials ended above the worst. Glaxo, ahead of next Monday's results, closed only 3 easier at 310p, after 305p. Reckitt and Colman lost 8 at 305p, after 302p, while Bowater were 7 off at 152p and Boots 4 lower at 97p. Rank Organisation, reflecting the overnight fall on Wall Street, declined 10 to 127p, while Unilever gave up 16 at 386p. Widespread losses in secondary issues rarely exceeded 5.

Lucas Industries remained a dull market, losing another 5 at 153p, after 152p. Wilmot-Breeden finished 3 off at 42p despite substantially improved interim earnings, while production problems caused British Leyland to ease 2 to 26p. Dunlop declined 3 to a 1976 low of 66p.

Thomson rallied from 264p to close only 2 down at 270p following interim figures which easily exceeded market anticipations. Other Newspapers, however, moved with the general trend and United fell 7 to 188p despite an investment recommendation, while Bristol Post slipped 4 to 58p. A similar picture in Paper/Printings left McCorquodale 5 lower at 130p and DRG 3 off at 91p, after 89p. Conditions militated against a favourable reception of the Bunzl Pulp first-half profits and the price reacted 4 to 76p. In Advertising Agencies, Geers Gross lost 3 to 32p and Collett Dickenson 1 to 36p, the latter failing to benefit from good interim results.

Properties weak

Growing talk of a rise soon in Minimum Lending Rate brought widespread depression to Properties. Double-figure falls were common place among secondary issues, Great Portland, 174p, Hammerson "A," 260p, and Property Holding, 165p, all losing around 13, despite closing a shade above the day's worst. Property and Reversionary "A" dropped 12 to 139p, while Apex, 92p, after 89p, Haslemere Estates, 137p, and Land Investors, 74p, were down some 8 apiece. The leaders were less prone to the weakness and Land Securities settled only 1 off at 114p, after 112p, while MEPC ended unchanged at 44p. English were also unaltered at 33½p, after 32½p.

LASMO/SCOT issues benefited again from currency hedge buying, rising 12 more to 272p, but Wall Street influences dampened enthusiasm for British Petroleum which drifted 7 lower to 603p, after 600p. Shell also reacted in the early business, but rallied to close only 1 off at 372p, after 368p, while the rise in the investment dollar premium took Royal Dutch up ¼ to £40¾, after £41. Secondary Oils often gave ground including Ultramar, 109p, and Tricentrol, 60p, which both lost 3. Oil Exploration, on the other hand, picked up 2 further to 91p.

Overseas Traders were generally easier where changed. Harrisons and Crosfield lost 12 to 400p, while Ocean Wilsons shed 5 to 127p and Lonrho gave up 3 at 61p. Jamaica Sugar, however, hardened 2 to 19p.

Trusts and Financials closed with a liberal sprinkling of small falls. Capital issues had Triplevest 3 off at 85p and Fundinvest 4 cheaper at 28p, while Overseas issues, reflecting the improvement in the dollar premium rate, saw a partial rally in Rolinco, 1¼ points harder at £49¼, and Robeco, 1½ points better at £65¼.

P. and O. Deferred dominated proceedings in Shippings, closing 3½ easier at 101½p, after 99p, following a big two-way business both before and after the interim figures which came up to market expectations. Ocean Transport were also active and ended 5 cheaper at 117p, while losses of 4 were seen in Furness Withy, 180p, and British and Commonwealth, 190p. Sheaf Steam, a firm market of late, declined 7 to 84p.

Losses in Textiles were mostly limited to a few pence. Courtaulds closed 2 off at 101p, after 100p, while Coats Patons gave up 3 at 45p and falls of a similar amount were seen in Caird Dundee, 17p and RKT, 22p. G. Spencer eased 3 to 37p following the letter from Nottingham Manufacturing, down 3 to 54p, urging Spencer shareholders to accept its bid of 35p.

Tobaccos gave ground, but Bats Ordinary, 257p, and the Deferred, 207p, closed only 3 easier after a reasonable two-way trade. Imps gave up 3 at 82p.

Golds gain ground

Tuesday's better trend in South African Gold shares continued yesterday following the further rise in the bullion price to $115.375 per ounce for a gain of 75 cents.

Further encouraging factors were reports that the International Monetary Fund is to review its gold sales policy at the end of the year and that next December's meeting of OPEC members to consider a possible rise in oil prices could bring pressure on the dollar.

Shares moved ahead from the outset with local and Cape interest [illegible] followed by U.S. demand in later dealings. The Gold Mines index consequently advanced 7.8 to 114.8.

Rises in the heavier-priced issues ranged to around a point as in Randfontein, £18, while Western Holdings hardened a half-point to £12½. Gains of 50 were registered by both Hartebeest and President Brand at 800p and 850p respectively.

The overseas-based Financials mirrored Golds and were additionally helped by the firmer investment currency premium. "Amgold" advanced ½ to £13½ and General Mining added ¼ at £15. Union Corporation continued to attract buyers and gained 5 more to 230p. The London-based stocks, however, were affected by the weakness of U.K. Industrials. A large selling order lowered Rio Tinto-Zinc 5 to 185p.

Coppers were again neglected but Platinums tended to improve. Tins reacted to modest profit-taking, although a notable exception was St. Piran, which put on 5 to 38p.

Australians generally declined in line with the trend in overnight home markets, although they closed above the day's lowest. Metals Exploration dropped another 6 to 50p and MIM Holdings gave up 3 to 218p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 6	Oct. 5	Oct. 4	Oct. 1	Sept. 30	Sept. 29	A Year ago
Government Secs.	58.80	59.18	59.36	59.13	59.18	59.61	58.16
Fixed Interest	58.65	58.93	58.95	58.97	58.85	59.42	59.41
Industrial Ordinary	310.6	319.3	323.8	317.6	323.5	330.4	330.6
Gold Mines	114.8	107.0	106.0	106.9	108.7	109.5	241.9
Ord. Div. Yield	7.24	7.07	6.96	7.08	6.95	6.80	6.30
Earnings Y'ld% (full) (a)	21.38	20.89	20.59	20.93	20.53	20.10	17.30
P/E Ratio (net) (a) (b)	6.90	7.06	7.19	7.05	7.19	7.34	8.21
Dealings marked	5,012	4,625	4,234	4,869	6,228	6,114	4,797
Equity turnover £m.	—	33.32	30.33	48.44	68.66	60.07	42.10
Equity bargains total	—	9,821	11,135	11,366	12,041	11,369	12,118

10 a.m. 312.0. 11 a.m. 308.6. Noon 309.1. 1 p.m. 306.7. 2 p.m. 309.4. 3 p.m. 310.1.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=6.95.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	58.80 (6/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	58.65 (6/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	310.6 (6/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

—	Oct. 6	Oct. 5
Daily—		
Gilt-Edged	168.0	171.2
Industrials	175.0	150.4
Speculative	26.7	38.9
Totals	114.1	105.3
5-day Av'r'ge.—		
Gilt-Edged	172.0	172.0
Industrials	156.3	154.1
Speculative	31.9	35.3
Totals	108.2	108.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. Oct. 6 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tues. Oct. 5 Index No.	Monday Oct. 4 Index No.	Friday Oct. 1 Index No.	Thurs. Sept. 30 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	116.96	−2.5	22.28	7.95	6.65	6.68	119.95	120.28	118.85	120.71	122.25	160.06 (21/4)	116.96 (6/10)	206.37 (4/5/72)	50.17 (13/12/74)
2	Building Materials (30)	104.10	−3.0	21.77	9.19	6.91	6.81	107.50	107.61	105.85	108.45	119.95	150.18 (16/1)	104.10 (6/10)	255.84 (3/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	155.07	−2.7	27.20	7.17	5.66	5.66	159.45	158.57	157.75	161.08	221.11	260.20 (15/1)	155.07 (6/10)	389.35 (19/2/73)	71.48 (2/12/74)
4	Electricals (16)	217.46	−2.1	20.34	6.11	7.15	7.35	222.13	224.82	223.52	224.46	210.75	237.30 (21/4)	217.46 (6/10)	360.04 (4/6/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	141.27	−2.7	32.60	8.61	4.49	4.45	145.22	145.51	141.29	145.25	148.54	193.18 (5/5)	141.27 (6/10)	202.57 (6/6/73)	94.45 [illegible]
6	Engineering (General) (64)	108.20	−2.5	22.51	8.46	6.57	6.56	111.00	111.04	109.99	111.57	105.58	149.29 (5/2)	108.20 (6/10)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	48.04	−1.7	18.75	9.25	7.62	7.60	48.88	48.89	48.50	48.97	41.15	60.62 (5/5)	48.04 (6/10)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	105.12	−2.0	18.61	8.44	7.58	7.45	107.22	107.16	105.30	106.63	103.57	141.94 (11/5)	105.12 (6/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	94.64	−3.0	24.16	7.37	6.21	6.19	97.60	99.58	98.00	99.72	98.26	141.46 (21/4)	94.64 (6/10)	227.78 (21/4/72)	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	99.50	−2.7	24.05	5.86	6.14	6.12	102.10	106.62	105.04	107.51	115.86	160.55 (7/4)	99.50 (6/10)	257.41 (17/5/72)	42.55 (12/12/74)
11	Household Goods (13)	126.97	−2.1	25.20	9.41	6.57	6.54	129.70	129.28	128.76	130.12	150.82	187.32 (7/4)	126.97 (6/10)	255.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (26)	62.75	−3.7	24.67	8.66	6.19	6.17	65.17	64.60	63.56	64.30	50.95	85.16 (6/5)	62.75 (6/10)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (169)	119.09	−3.3	18.69	8.09	8.09	8.01	123.15	123.32	122.25	123.62	136.39	162.24 (4/2)	119.09 (6/10)	226.08 (16/5/72)	84.41 (13/12/74)
14	Breweries (15)	132.69	−2.4	17.64	8.59	8.39	8.39	135.88	137.17	135.84	136.81	157.07	179.45 (2/2)	132.69 (6/10)	231.87 (2/1/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	138.40	−2.3	17.09	7.93	8.99	8.99	141.70	140.61	139.50	143.52	141.95	190.67 (5/5)	138.40 (6/10)	257.40 (15/7/72)	78.71 (13/12/74)
16	Entertainment, Catering (14)	140.59	−4.4	17.63	9.50	8.77	8.68	147.02	147.07	142.78	145.88	155.16	211.26 (5/5)	140.59 (6/10)	329.99 (12/12/72)	67.32 (13/12/74)
17	Food Manufacturing (23)	151.75	−3.7	21.48	6.93	7.07	7.02	156.82	157.50	156.46	158.27	147.48	179.44 (11/5)	151.75 (6/10)	211.65 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (18)	106.36	−4.0	17.64	7.36	8.55	8.55	110.80	111.44	109.49	110.68	141.66	150.05 (12/1)	106.36 (6/10)	285.08 (16/5/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	160.12	−0.8	15.01	8.32	10.08	10.08	161.12	160.53	158.87	159.40	135.10	164.54 (11/8)	157.01 (2/6)	260.89 (18/1/73)	56.08 (6/1/75)
20	Packaging and Paper (12)	84.20	−2.5	18.06	9.31	6.62	6.25	86.31	86.56	84.90	86.21	91.75	112.50 (26/2)	84.20 (6/10)	136.69 (25/4/72)	45.46 (6/1/75)
21	Stores (34)	92.42	−4.4	16.46	7.59	9.36	9.34	96.65	96.85	95.95	96.92	118.82	136.24 (2/2)	92.42 (6/10)	204.39 (18/8/72)	52.63 (6/1/75)
22	Textiles (23)	117.43	−4.5	15.96	9.82	9.46	8.42	122.92	124.46	124.76	124.88	141.26	183.24 (30/1)	117.43 (6/10)	253.73 (17/9/68)	62.56 (11/12/74)
23	Tobaccos (3)	194.00	−1.6	22.59	8.90	6.59	6.59	197.06	196.57	196.08	196.64	186.07	241.89 (5/5)	194.00 (6/10)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	[illegible]	[illegible]	25.22	9.22	5.77	5.74	66.49	66.34	65.02	66.14	59.52	80.95 (16/7)	59.18 (22/1)	135.72 (15/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	174.05	−3.0	17.63	6.59	7.75	7.73	179.47	180.95	179.66	180.72	172.62	251.58 (5/5)	174.05 (6/10)	251.58 (5/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	72.10	−6.1	16.69	7.30	8.75	8.75	76.01	76.99	75.90	76.66	79.84	100.16 (19/5)	72.10 (6/10)	246.05 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	337.35	−4.1	14.65	7.79	9.73	9.60	351.64	352.00	348.37	350.56	359.05	432.84 (30/1)	337.35 (6/10)	517.00 (6/12/72)	90.80 (29/5/62)
28	Miscellaneous (45)	125.67	−3.6	18.31	9.35	8.20	8.19	130.56	131.33	130.18	130.93	140.59	172.98 (21/4)	125.67 (6/10)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	122.72	−3.1	19.51	7.86	7.57	7.54	126.68	127.25	126.05	127.45	153.59	165.58 (3/5)	122.72 (6/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	334.45	−0.8	12.75	5.24	9.10	8.57	336.97	340.41	338.95	338.30	311.29	395.84 (20/5)	324.25 (14/3)	431.65 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	139.80	−2.7	18.30	7.40	7.80	7.67	143.71	144.49	143.24	144.51	146.50	185.00 (5/5)	139.80 (6/10)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	102.50	−3.0	—	7.73	—	—	105.70	106.06	104.87	105.84	130.11	153.46 (30/1)	102.50 (6/10)	241.41 (1/5/72)	55.88 (13/12/74)
33	Banks (6)	129.08	−2.5	26.20	7.12	5.87	5.87	132.07	132.07	130.44	130.45	154.91	192.16 (29/1)	129.08 (6/10)	286.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	122.27	−2.6	—	11.51	—	—	125.56	126.03	126.23	126.52	144.61	136.52 (13/1)	122.27 (6/10)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	70.12	−6.0	10.52	6.35	21.57	21.57	74.62	74.62	75.00	75.44	88.78	132.10 (26/4)	70.12 (6/10)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	84.05	−2.5	—	9.00	—	—	86.19	86.57	86.60	86.26	112.85	139.46 (30/1)	84.05 (6/10)	194.46 (16/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	81.12	−2.8	—	9.14	—	—	83.42	84.21	85.00	84.60	107.12	119.75 (30/1)	81.12 (6/10)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	214.07	−1.9	15.52	5.86	11.08	11.08	218.24	217.13	216.20	217.69	202.11	276.90 (11/5)	206.30 (15/3)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	52.06	−2.8	—	10.69	—	—	53.54	53.05	52.34	52.95	64.60	95.83 (27/1)	52.06 (6/10)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	119.32	−5.9	5.06	4.59	35.59	33.82	126.85	127.56	124.82	128.28	161.47	194.57 (30/1)	119.32 (6/10)	357.40 (3/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	65.81	−1.5	21.37	12.65	7.06	7.05	66.99	66.74	66.87	67.53	96.38	91.98 (3/2)	65.81 (6/10)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	135.13	−1.8	3.96	5.62	26.07	26.07	137.49	137.55	136.84	137.58	159.36	184.55 (30/1)	135.13 (6/10)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (659)	130.74	−2.7	—	7.36	—	—	134.38	135.04	133.77	135.00	144.12	172.64 (30/1)	130.74 (6/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	478.98	−0.2	9.84	5.66	14.78	13.69	479.91	474.85	467.17	467.00	359.83	523.40 (7/3)	404.67 (14/1)	556.37 (23/7/75)	84.68 (25/9/65)
45	Teas (9)	130.59	—	31.01	9.74	4.28	4.17	130.59	130.59	131.40	131.88	105.33	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	192.63	−1.9	33.63	5.81	2.97	2.97	196.45	196.45	199.11	199.11	287.70	301.47 (7/1)	177.60 (9/6)	567.78 (13/7/73)	94.08 (28/4/62)
47	Mining Finance (11)	86.72	−0.7	12.03	5.78	9.36	9.28	87.31	87.53	87.57	87.69	102.38	119.77 (7/1)	83.82 (17/9)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (7)	124.66	−0.3	11.33	7.76	13.58	13.47	124.99	121.74	119.38	115.95	89.59	124.99 (5/10)	86.09 (2/1)	126.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	199.15	−2.0	16.84	6.87	8.03	8.03	203.25	202.40	202.44	202.87	202.81	254.47 (3/5)	199.13 (6/10)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Wed., Oct. 6 Index No.	Wed., Oct. 6 Yield %	Tuesday Oct. 5	Monday Oct. 4	Friday Oct. 1	Thurs. Sept. 30	Wed. Sept. 29	Tuesday Sept. 28	Monday Sept. 27	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.05	14.93	14.93	14.91	14.90	14.78	14.78	14.68	14.94	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.69	‡14.47	45.07	45.30	45.11	45.29	45.81	45.83	46.42	47.21	53.45 (30/1)	44.69 (6/10)	115.42 (11/9/65)	38.37 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.37	‡15.87	46.61	46.53	46.76	46.72	47.27	47.37	47.56	47.15	52.40 (21/4)	46.29 (17/3)	113.43 (25/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	44.09	15.69	44.55	44.12	44.43	44.72	45.91	46.32	46.90	45.24	51.25 (12/2)	44.09 (6/10)	114.41 (15/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	60.01	15.98	60.85	60.87	61.47	61.46	63.02	63.38	64.67	62.02	71.97 (2/2)	60.01 (6/10)	114.95 (7/12/63)	47.67 (6/1/76)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	21	293	− 6	402	295
Bats Defd.	25p	13	207	− 3	223	193
GUS "A"	25p	11	139	− 9	224	139
Shell Transport	25p	11	372	− 1	462	365
Marks & Spencer	25p	10	82	− 2	108	82
GEC	25p	9	124	− 3	168	124
P & O Defd.	£1	9	101½	− 3½	119	87
Rank Org.	25p	9	127	−10	193	127
Tate & Lyle	£1	8	216	− 7	293	214
Boots	25p	8	97	− 4	148	97
Courtaulds	25p	8	101	− 2	169	100
Lonrho "New"	Nil/pd.	8	23*	—	27*	22*
Bowater	£1	7	152	− 7	230	152
Commercial Union	25p	7	93	− 3	138	93
Distillers	50p	7	111½	− 2	158	111

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 28	Oct. 11	Dec. 30	Jan. 12
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 7	Jan. 27	Feb. 8

Calls were dealt in Burmah Oil, *J. Lyons, M. Y. Dart*, ICI, Newman Industries, GEC, EMI, Granada, Vosper, F. W. Woolworth, Sears, Fairey, RHM, Brooke Bond, Berry Wiggins, Hawker Siddeley, Cavenham, Waring and Gillow, International Computers, Peachey Property, London Brick, Charterhall Finance and UDT. Puts were done in Courtaulds, Shell Transport and Grand Metropolitan, *while doubles were arranged in* Burmah Oil, EMI, ICI, Berry Wiggins, Town and City and Management Agency.

Industrials		[illegible]	17	Midland Bank	22	Cap. Counties	5
		Fitch Lovell	6	Nat'l West Bank	20	E.P.	6
A. Brew	6½	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
A. P. Cement	15	Gen. Electric	15	P & O Dfd.	11	Land Securities	14
Assoc. Leisure	5	Glaxo	55	Plessey	7	MEPC	7
BSR	9	Grand Met.	7	R.H.M.	5	Peachey	6
Babcock	8	G.U.S. 'A'	15	Rank Org. 'A'	18	Samuel Props.	4½
Barclays Bank	22	Guardian	18	Reed Int'l	25	Town & City	6½
Berry Wiggins	5	G.K.N.	25	Reyrolle	11		
Beecham	28	Hawker Sidd.	35	Rothmans	4	Oils	
Boots Drug	12	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
Bowaters	16	I.C.I.	30	Spillers	4	Burmah Oil	4½
B.A.T.	21	"Imps"	7	Tesco	4	Shell	27
British Leyland	5	I.C.L.	14	Thorn 'A'	22	Ultramar	14
BOC In.	3½	Inveresk	7	Trust Houses	9		
Brown (J.)	9	Legal & General	12	Tube Invest.	27	Mines	
Burton 'A'	6½	Ladbroke	11	Unilever	36	Charter Cons.	15
Cadbury's	5	Lex Service	4½	Utd. Drapery	6	Chart'rh'll Fin.	4
Cavenham	10	Lloyds Bank	24	Vickers	15	Cons Gold	16
Courtaulds	11	"Lots"	4	Williams Hud'n	4	Hampton Areas	12
Debenhams	5	London Brick	4½	Woolworths	6	Lonrho	19
Distillers	13	Lucas Inds.	20			Rio T. Zinc	18
Dunlop	7½	"Mams"	7	Property		Western M.ng.	7
Eagle Star	11	Marks & Sp'cer	8	Brit. Land	5½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (3)

INDUSTRIALS (1)

Dover Con.

OILS (2)

LASMO "OPS" SCOT "OPS"

NEW LOWS (457)

BRITISH FUNDS (32)
CORPORATION LOANS (1)
COMMONWEALTH AND AFRICAN LOANS (2)
BANKS (15)
BEERS (12)
BUILDINGS (37)
CHEMICALS (12)
CINEMAS (2)
DRAPERY AND STORES (22)
ELECTRICALS (20)
ENGINEERING (46)
FOODS (22)
HOTELS (3)
INDUSTRIALS (75)
INSURANCE (16)
MOTORS (7)
NEWSPAPERS (8)
PAPER AND PRINTING (8)
PROPERTY (43)
SHIPBUILDERS (1)
SHIPPING (2)
SHOES (1)
TEXTILES (11)
TOBACCOS (1)
TRUSTS (69)
OILS (3)
OVERSEAS TRADERS (2)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	56	2
Corpns. Dom. and Foreign Bonds	1	31	31
Industrials	126	707	869
Financial and Prop.	23	285	256
Oils	8	14	14
Plantation	—	4	37
Mines	64	19	58
Recent Issues	5	12	13
Totals	227	1,128	1,280

BASE LENDING RATES

Allied Irish Banks Ltd.	12 %
American Express Bank	12 %
Anglo-Portuguese Bank	12 %
Henry Ansbacher	12½%
Banco de Bilbao	12 %
Bank of Cyprus	12½%
Bank of N.S.W.	12 %
Banque du Rhone S.A.	12½%
Barclays Bank	12 %
Barnett Christie Ltd.	13½%
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12½%
Canada Permanent AFI	12 %
Capitol C & C Fin. Ltd.	13 %
Cayzer, Bowater Co. Ltd.	12 %
Cedar Holdings	12½%
■ *Charterhouse Japhet*	12½%
C. E. Coates	13 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Securities	12 %
Credit Lyonnais	12 %
G. R. Dawes	13 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First London Secs.	12 %
■ Antony Gibbs	12 %
Goode Durrant Trust	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bank of Scot.	12 %
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London & European	12½%
London Mercantile	12½%
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Northern Comm. Trust	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12 %
Rossminster Accept'cs.	12 %
Royal Bk. Canada Trust	12 %
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13 %
Shenley Trust	14 %
Standard Chartered	12 %
Trade Development Bk.	12 %
Twentieth Century Bk.	13½%
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 8½%, 1-month deposits 8¾%.

† 7-day deposits on sums of £10,000 and under 8½%, up to £25,000 9% and over £25,000 9¼%.

§ Demand deposits 9½%.

‡ Call deposits over £1,000 8½%.

MONEY MARKET

Interest rates rise

Bank of England Minimum Lending Rate 13 per cent. (since September 10, 1976)

Short-term interest rates tended to strengthen in the London money market yesterday, with the three-month sterling certificate yield, for instance, rising to 13⅛-12 15/16 per cent., from Tuesday evening's 12¾-12⅝ per cent. The three-month rate bid for Treasury bills by the Discount houses rose to 12 13/32 per cent., from 12 1/16 per cent., so *reaching a level sufficiently high* to raise the Bank of England Minimum Lending Rate from 13 per cent. to 13¼ per cent. if mirrored in the average of *accepted bids at to-morrow's* bill tender.

The uptrend took place against the background of erratic movements in sterling in the foreign exchange market, with the pound losing ground. Day-to-day credit was in unusually short supply, mainly as a result of the payment of special deposits into the Bank of England. The authorities gave an exceptionally large amount of assistance, through purchases of Treasury bills (in themselves exceptionally large) and (small) purchases of local authority bills. Discount houses paid 11¼ per cent. or 11½ per cent. for secured call loans in the earlier stages, but over the day at the lowest of these levels, and took later loans at levels of 10-11 per cent., and in some cases closed their books at 7½-8 per cent.

In the inter-bank market, overnight loans opened around 11½-11⅝ per cent., and 11¾ per cent., before falling to 10¾-11 per cent. for a time, and then recovering to 11½ per cent., and in the later stages falling to 8 per cent. and 7 per cent.

Oct. 6 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	7-11¾	11⅛	—	—	12-12¼	7½-11¾	—	—	—
2 days notice	—	—	12⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	11⅛-12⅛	12¼	—	12½-12¾	12½-12¾	11½-12	—	—	—
One month	12⅞-12¾	12⅝-12¾	12½-12⅞	13¼-12¾	12¾-13⅛	13-13¼	12-12½	12¼-12⅜	12½-12⅝	13¼-13⅝
Two months	12⅞-13	12⅝-12⅞	—	13¼-12¾	12⅞-13¼	—	12¼-12⅜	12⅜-12½	12⅝-12½	13¼-13⅝
Three months	13⅛-12⅞	12⅞-13⅛	12⅞	13¼-12⅞	13-13⅛	—	12⅛	12⅜	12¾-12⅞	13¼-13⅝
Six months	13¼-13⅛	12⅞-13⅛	12⅞-13	13½-12¾	13¼-13½	—	—	—	12¾	13¼-13⅝
Nine months	13⅛-12⅞	12¾-13⅛	—	13⅛-12⅞	13½	—	—	—	—	—
One year	13⅛-12⅞	12⅝-13	13¼	13¼-13	13¼	—	—	—	—	—
Two years	13-12¾	12⅞-13¼	13½-13⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authorities mortgage rates nominally three years 12¾ per cent.; four years 14 per cent.; five years 14-14½ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞ per cent.; four-month trade bills 13½-13⅜ per cent. Approximate selling rate for one-month Treasury bills 12⅜-12½ per cent.; two-month 12 5/16-12 11/32 per cent.; and three-month 12 11/32-12 23/32 per cent. Approximate selling rate for one-month bank bills 12¾-12⅞ per cent.; two-month 12 17/32-12 9/16 per cent.; and three-month 12⅝-12 21/32 per cent.; one-month trade bills 13¼-13½ per cent.; two-month 12 15/32-12 9/16 per cent., also three months 12 17/32-12 19/32 per cent.

Finance House Base Rates (published by the Finance Houses Association): 12 per cent. from October 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 8½ per cent. Clearing Bank Rate for lending 12 per cent. Treasury bill average tender rate of discount 12.3748 per cent.

CORAL INDEX

Close 308-313

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Assurance	10 %

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

LEADERS AND LAGGARDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅜	99⅜	Treasury 10½pc 1976‡‡	99⅞	......	10.55	12.59
98⅞	95⅞	Treasury 6¼pc 1977‡‡	97⅞	−⅛	6.41	12.73
97¼	94½	Electric 3pc 74-77	96¼		3.10	10.82
103⅞	92⅞	Treasury 11½pc '77‡‡	99	−⅛	11.62	12.60
95⅛	91⅞	Treasury 3pc '77‡‡	92¾	−⅛	3.23	10.05
95⅝	92¼	Transport 4pc '72-77	93¼	−¼	4.29	10.06
99⅞	90½	Treasury 9pc 1978‡‡	95⅜	−⅛	9.44	12.62
101½	96⅜	Treasury 10½pc '78‡‡	96⅜	−⅛	10.89	12.79
93⅛	89⅝	Exchequer 5pc '76-78‡‡	92½	−⅛	5.40	9.24
103⅞	97⅞	Treasury 11½pc '79‡‡	97⅞	−⅜	11.85	12.94
—	—	Treas 11½pc '79 'A'‡‡	98¾	..	11.65	12.11
88⅞	83⅝	Treasury 3pc '79‡‡	85	−¼	3.53	8.89
89⅞	73⅞	Electric 4¼pc 74-79	85¼	−¼	4.98	10.11
100⅞	92⅞	Treasury 10½pc '79‡‡	92⅞	−⅛	11.30	13.41
88⅛	83⅝	Electric 3½pc '76-79	84⅛	−¼	4.15	9.40
96⅞	88⅞	Treasury 9pc 1980‡‡	88⅞	−⅝	10.13	13.15
96½	88⅞	Treasury 9½pc '80‡‡	88⅞	−⅝	10.69	13.48
86	81⅞	Treasury 3½pc '77-80	81⅞	−⅛	4.27	9.41
89½	71	Funding 5¼pc '78-80‡‡	83⅞	−⅜	6.26	10.64
103⅞	93⅞	Treasury 11½pc 1981‡‡	93⅞	−⅝	12.25	13.38
86	79	Treasury 3½pc 1979-81	82⅞	−⅛	4.25	8.40
95⅝	87⅞	Treasury 9¾pc 1981‡‡	87⅞	−¾	11.16	13.59
		Five to Fifteen Years				
94½	85⅛	Treasury 8¼pc '80-82‡‡	85⅛	−¾	10.22	12.98
107¾	94¼	Treasury 12pc 1983‡‡	94¼	−¼	12.82	13.53
81⅛	72¾	Funding 5½pc '82-84‡‡	72¾	−½	7.69	11.35
87⅝	78⅛	Treasury 8½pc '84-86‡‡	78⅛	−½	11.18	12.86
74⅞	63¼	Funding 6½pc '85-87‡‡	63¼	−½	10.20	12.90
77⅝	68¼	Treasury 7¾pc '85-88‡‡	68¼	−½	11.62	13.58
51¼	45⅝	Transport 3pc '78-88	46⅛	−⅜	6.58	11.60
59¾	50¼	Treasury 5pc '86-89	50¼xd	−⅛	9.93	13.01
103¾	91⅛	Treasury 13pc 1990‡‡	91⅛	−¾	14.75	15.06
75⅞	67	Treasury 8¼ 87 90‡‡	67	−½	12.81	14.20
60	50¼	Funding 5¾pc '87-91‡‡	50¼xd	−⅛	11.48	13.80
		Over Fifteen Years				
100½	87⅞	Treasury 12¾pc '92‡‡	87⅞	−¾	15.06	15.34
98½	85⅜	Treasury 12½pc '93‡‡	85⅜	−¾	15.16	15.43
58	47¼	Funding 6pc 1993‡‡	47¼	−⅜	12.66	14.34
75⅞	66⅛	Treasury 9pc '94‡‡	66¼	−⅜	14.35	15.02
97⅛	94⅞	Treasury 14½pc '94‡‡	94⅞	−⅜	15.37	15.44
36½	30⅛	Gas 3pc '90-95	30½xd	−¼	9.89	13.07
100	87⅞	Treasury 12¾pc '95‡‡	88⅜	−¾	15.30	15.47
75⅞	62⅞	Treasury 9pc '92-96‡‡	62⅞	−½	14.55	15.13
95¼	90½	Exchequer 13¾pc '96‡‡	90½	−¾	15.37	15.50
35½	29½	Redemption 3pc 1986-96	29½	−¼	10.19	12.94
102½	88	Treasury 13¾pc '97‡‡	88⅞	−¾	15.39	15.48
70⅛	60⅞	Treasury 8¾pc 1997‡‡	60⅞	−½	14.70	15.19
57⅝	47	Treasury 6¾pc '95-98‡‡	47½xd	−⅜	14.18	14.97
76	65½	Treasury 9½pc 1999‡‡	65⅞	−½	14.92	15.23
31½	26⅞	Funding 3½pc '99-04	26⅞	−¼	13.43	14.31
65	53¼	Treasury 8pc '02-06‡‡	53¼xd	−½	15.04	15.20
46⅛	37⅝	Treasury 5½pc '08-12‡‡	37⅝	−¼	14.88	15.01
60⅞	52¼	Treasury 7¾pc '12-15‡‡	52⅝	−½	15.17	15.20
		Undated				
30⅛	26⅛	Consols 4pc	26½	−¼	15.52	—
27⅞	24⅜	War Loan 3½pc‡‡	24¾	−¼	14.88	—
28⅞	24⅜	Conv. 3½pc '61 Aft.	24⅜	−¼	14.39	—
23¼	19½	Treasury 3pc 66 Aft	19½xd	−⅛	15.40	—
19⅝	16⅝	Consols 2½pc	16⅝xd	−⅛	15.05	—
19½	16	Treasury 2½pc	16	−⅛	15.67	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
75	68½	5pc Stock '77-82	71½	−½	7.06	12.08

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
89¾	83	Birm'ham 9¾pc '79-81	83	−¼	11.14	14.20
98	67½	Bristol 6½pc '75-77	97¼	......	6.65	13.47
95	89½	Essex 5½pc '75-77	94¾	....	5.81	13.20
96	92⅝	G.L.C. 7¼pc 1977	95¼	..	7.61	13.24
102½	93½	Do. 12½pc '82	97	−½	13.52	14.48
78¾	74¾	Herts 5½pc '78-80	77¼	......	6.79	13.35
95⅛	91⅞	Liverpool 7pc '76-77	94⅜	−¼	7.42	13.54
83	79	Do. 9¾pc '80-84	81¼	−¼	12.58	14.75
26	21¼	Do 3½pc Irred.	21¼xd	..	16.44	—
90	86¼	Lon Corp. 6½pc '75-78	88¾	...	7.32	13.57
85	74½	Do 9¼pc '84-85	74¼xd	−¼	12.37	14.33
92	87⅞	L.C.C. 6pc '75-78	91	−¼	6.59	13.50
75½	69¾	Do 5½pc '77-81	72	−¼	7.64	13.42
67½	60½	Do 5½pc '82-84	61¼	−¼	9.16	14.11
59	52¼	Do. 5½pc '85-87	52¼	−¼	10.89	14.88
60½	50½	Do 6¾pc '88-90	53	−¼	13.13	15.29
22½	19	Do. 3pc '20 Aft.	19¼	−¼	16.12	—
93¼	90	Middx 6¼pc '75-77	92½	....	6.69	13.44
79½	74½	Do 5¼pc 1980	78¼	−¼	6.71	13.31
90½	85½	Newcastle 9¼pc '78-80	86	−¼	10.76	13.98
101½	96	Warwick 12½% 1980	97½	−½	12.82	13.26

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
91	85½	**Aust. 5½pc '75-78	86xd	−½	6.40	13.80
82¼	77¼	**Do. 5½pc '77-80	79¼	−¼	7.01	14.02
74¾	68½	**Do. 5¾pc '81-82	68½xd	−½	8.83	13.98
86⅞	80¼	**N.Z. 4pc 1976-78	84½	−½	4.79	13.05
83⅝	80	**Do. 6pc '76-80	80	−½	7.56	13.79
74	67¼	**Do. 7½pc '83-86	67¼	−½	11.55	14.27
65	22	Sth. Rhod. 2½pc '65-70	53	−2	—	—
62	34	Do. 6pc '78-81	60	−2	—	—

LOANS (Miscel.)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
81⅛	42½	Agric. Mt. 5pc '59-89	45¼	−¼	11.25	14.61
76½	66½	Alcan 10½pc '89-94	68½	...	15.93	16.50
100¼	93¼	**FFI 13pc '81	96⅛	...	13.53	14.19
106	99	Do. 14pc 1979	100	−5	14.88	15.00
66¼	58¼	ICFC 6¾% Ln. 92-97	59	−½	15.13	15.70
97½	89	Do. 9pc 1977	96	.....	9.56	14.00
103	94½	Do. 10pc 'C' 1976	103	.....	10.02	11.60
24¾	20¼	**Met. Water 3pc 'B'	20¼	−¼	15.01	16.09
110	71	U.S.M.C. 9pc 1982	101	−2	9.13	9.30
82½	71	Do. without Wrnts.	79½	....	11.67	15.00
90½	84	Ultramar 7pc '75-78	87	−2½	8.32	16.30

FOREIGN BONDS & RAILS

1976 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
18½	9	Antofagasta Rly.	18½	......	—	—
36	27½	Do 5pc Pref	35	....	B—	—
95	26½	Berlin 4½pc Ass.	95	.....	4½	9.19
98	94	Chilean Mixed	98	.....	3	f3.06
195	192	German Yng 4½pc.	195	......	4½	—
72	61	Greek 7pc Ass	62	......	3½	f5.74
67	55	Do 6pc 28 Stab Ass.	60	......	3	f4.44
48	35	Do 4pc Mixed Ass	42	....	2	f4.17
32	30	Hung. '24 Ass	32	.....	4½	f8.59
55	50	Iceland 6½pc '83-88	50	...	6½	f15.60
74	69½	Ireland 7¾pc '81-83	71½	−½	7½	14.69
77	62½	Do 9¾pc '91-96	62½	−½	9¾	16.38
247	165	Japan 4pc '10 Ass	245	+2	—	—
71½	48	Do 6pc '83-88	48	...	6	—
163	125	Peru Ass. 3pc	125	...	3	2.43
48½	17½	Romanian 4pc C's	18½#	..	—	—
567	567	S.G.I. 6½pc 1980	567	..	9	9.68
595	591	Turin 9pc 1981	593	...	9	9.67
DM84	DM81	Turin 6½pc 1984	DM82	..	6½	10.55
71	64	Uruguay 3½pc	64	..	3½	7.10

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1976 High	low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
27¼	10⅞	ASA	14	−¼	80c	—	3.2
50	45	AMF 5% Conv. '87	50		5%	—	f5.1
54	35	Amax $1	50⅝	+1	$1.75	—	1.9
50½	31	Baker Intnl. Corp $1	45½	−⅛	46c	—	0.6
32⅝	17¾	Barnes Grp. $6½	29¾	+½	$1.75	—	3.3
19½	12¾	Bell & Howell $1	17¼	+¼	84c	—	2.8
38¼	26	Bendix Corp. $5	36⅛	.....	$1.72	—	2.7
38¼	25⅝	Beth. Steel $8	33¼	−⅛	$2.00	—	3.4
669p	459p	Brown'g Fer. c16⅔	555p	−22	20c	—	2.0
15¾	858p	Brunswick Corpn.‖	14½	+¼	50c	—	1.9
39	67¼	Burroughs Corp. $6	78⅝	+1¼	68c	—	0.5
54⅝	36⅝	CBS $2.50	48¾	−½	$1.66	—	1.9
40	32	C.P.C. $½	38	+¾	$2.30	—	3.4
30¾	19⅛	Carborundum $1.30	28⅞	+¼	90c	—	1.7
52	36⅞	Caterpillar $1	48¾	−⅛	h$1.50	—	1.7
22⅝	14¼	Champion Int. Inc	20⅝	−⅝	$1.00	—	2.8
27	20⅞	Chase M'htn $12.5	25½	+⅜	$2.20	—	4.9
26⅝	19½	Chesebrough $1	23	+¼	76c	—	1.9
19⅞	788p	Chrysler $6¼	17½	−¼	Z15c	—	0.5
31½	23⅝	Citicorp $4	26½		96c	—	2.0
998p	539p	City Inv. $1.25	943p	−5	66c	—	3.9
20⅞	12⅞	Do. Cm. Prf. B $1	19½		$2	—	5.8
26⅛	19¾	Colgate-P $1	23⅞	−⅛	88c	—	2.1
46⅛	22¼	Colt Inds. $1	40⅝	+⅝	$2.50	—	3.5
45½	28⅝	Cont. Illinois $10	43½		$2.40	—	3.1
38⅛	22	Cont. Oil $5	33	+¼	$1.20	—	2.0
38¼	26¾	Crown Zell. $5	34⅝	+¼	$1.80	—	2.9
32¾	21⅛	Cutler-Hammer $5	29¾	−⅜	$1.80	—	3.4
39¼	23¼	Eaton Crp. $0.50	36⅞	+⅝	$1.80	—	2.8
51⅝	31⅞	Exxon ‖	48⅞	+⅞	h$2.50	—	2.9
22⅞	17	Firestone Tire ‖	20⅛	−¼	$1.10	—	3.1
19⅜	14	First Chicago $5	17⅛	..	96c	—	3.1
38¼	23⅛	Fluor Corp. $⅓	33	−⅛	80c	—	1.3
55½	35	Ford Motor $2½	51	−¼	$3.20	—	3.6
27⅞	20⅝	GATX	26⅝	+¼	$1.80	—	3.8
51½	36⅞	Gen. Elect. $2½	45⅞	+½	$1.60	—	2.0
30⅝	25⅝	Gillette $1	25	+½	$1.50	—	3.4
45	26⅛	Honeywell $1.50	39⅜	−⅛	$1.60	—	2.2
23½	11¼	Hutton (E.F.) $1	13¼		60c	—	2.6
263⅛	178¾	I.B.M. Corp. $5	248	+4	$9.0	—	2.0
79⅞	55⅝	Ingersoll-R $2	66½	−⅞	$2.68	—	2.2
27⅛	19⅞	Int. Systems & Con. $1	23⅞	−¼	—	—	0.6
11½	739p	I.U. International‖	10½		90c	—	4.8
34⅞	22	Kaiser Al. $⅓	32⅛	−⅛	$1.20	—	2.1
35¼	23½	Manf. Han. US$7.50	29½	+½	$1.80	—	3.5
53½	40¼	Morgan (JP) US$2.5	46⅝	−⅜	$1.80	—	2.2
21⅛	14⅝	Norton Simon Inc $1	17⅞	−¼	60c	—	1.9
54⅝	41⅛	Owens-Ill. $3.125	50⅝	+¼	$1.88	—	2.1
23	17½	Quaker Oats US$5	20⅛	+⅝	9.2c	—	2.6
15⅝	891p	Reliance $0.25	14	+⅜	—	—	—
20⅞	14⅞	Rep. N.Y. Corp. $5	20¼	.....	88c	—	2.4
35	16½	Rexnord $5	27⅞	+⅛	$1.32	—	2.7
24⅞	16⅜	Richdsn.-Mrrll. $1¼	22⅞	.....	70c	—	1.7
369p	235p	Saul (B.F.) $10	277p	−6	—	—	—
68¾	34¾	Shell Oil $1	66	+1	$2.80	—	2.4
20⅞	705p	Singer ($10)	17¼	+¼	—	—	—
45¼	31¼	Sperry Rand $0.50	42⅛	−⅛	92c	—	1.2
32⅞	21¾	TRW Inc. $1¼	31⅛	+½	$1.40	—	2.5
31½	21¼	Tenneco Inc	29⅝		$1.88	—	3.4
148½	113½	Do. 10% Ln. Stk. 91-95	142	−1½	10%	—	f7.2
14⅞	10¼	Tesoro Pt. US$0.16⅔	12⅞	−¼	$1.00	—	4.4
26⅛	18	Texaco $6.25	24¼	...	$2	—	4.6
12¼	649p	Transamerica $1	11	...	66c	—	3.4
49	34¾	U.S. Steel $30	42⅞	−⅛	$3.30	—	4.4
13½	785p	UOP $1	12	......	40c	—	—
25¼	13⅞	Vetco Inds. $0.50	15⅛	+¼	—	—	—
22¾	16⅞	Woolworths $3½	20⅛	−⅛	$1.20	—	3.4
61⅞	40	Xerox Corp. $1	55½	−⅞	$1.20	—	1.2
13	824p	Zapata Corp. 25c	10½	+¼	s30c	—	1.6

S.E. List Premium 46⅝% (based on US$1.6418 per £)

Conversion factor 0.6825 (0.6852)

CANADIANS

1976 High	low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¾	10⅜	Bk. Montreal $2	14	.....	$1.00	—	4.0
40½	29⅛	Bk. Nova Scot. $2	38⅞	+¼	$1.72	—	2.5
46¾	33¼	Bell Canada 25c	45	+¼	$3.72	—	4.7
23⅝	12	Bow Valley‖	18⅛	......	10c	—	0.3
10	780p	Brascan‖	950p	.....	s$1.00	—	6.0
29⅞	19⅛	Can. Imp. Bk. $2	23⅞	+⅛	$1.28	—	3.1
16⅞	10⅝	Can. Pacific $5	15¼	...	84½c	—	3.1
29⅝	26½	Do. 4pc Deb. £100	27¼	.....	4%	—	14.7
37⅞	21¼	Gulf Oil Can.‖	22½	+⅛	$1.00	—	2.5
670p	450p	Hawker Sid. Can.‖	480p	+5	36c	—	4.3
33	22	Hollinger $5	28¼	+½	$1.80	—	3.6
18	12⅝	Hudson's Bay ‖	14⅞xd	−⅛	60c	—	2.3
34⅝	26⅝	Hud. B. Oil G. $2½	29½	+¼	$1.60	—	3.1
22¼	16½	Imperial Oil‖	18⅞	+⅛	26.8	—	2.4
31½	19½	Inco	28¾	......	$1.40	—	2.8
900p	660p	Int. Nat. Gas $1	850p	..	80c	—	5.4
25½	16	Massey Ferg.‖	19½	+¼	$1.00	—	2.9
27⅝	20¼	Pacific Pet. $1	22¼		80c	—	2.0
38½p	24p	Place Gas $1	29p	−1½	—	—	—
30¾	22⅝	Rio Algom	29⅛	−⅛	$1.00	—	2.0
27¼	20⅞	Royal Bk. Can. $2	25⅝	+⅛	$1.28	—	2.8
28⅛	17⅞	Seagram Co. C$1	22⅞	+⅛	80c	—	2.0
18⅞	13⅞	Tor. Dom. Bk. $1	17⅞	+⅛	70c	—	2.2
11⅞	830p	Trans. Can. Pipe 33½c	11½	......	88c	—	0.0

S.E. List Premium 46⅝% (based on $1.6005 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
390	251	ANZ $A1	370	+5	tQ24c	—	4.2	—
250	155	Alexanders D. £1	155	−5	11.67	—	11.6	—
£110	£80	Algemene Fl.100	£96	+1½	tQ21%	2.6	4.7	9.9
490	310	Allen Harvey £1	310	......	25.0	—	12.4	—
128	84	Allied Irish	85	−2	Q6.89	—	8.1	—
65	38	Anglo Contnl.	62	......	♦—	—	—	25.0
195	95	Arbuthnot L. £1	105	.....	8.28	—	12.1	—
£23	£16⅝	Bank Amer. $1.565	£21¾	+½	bQ80c	—	2.0	—
350	250	Bk. Ireland £1	250	......	112.5	—	7.7	—
£148	80	Do. 10pc Conv.	£101	−2	Q10%	—	f9.9	—
22	17½	Bk. Leumi A.I£1	19	...	Q16%	—	7.2	—
220	200	Bk. Leumi (UK£1)	210	......	7.25	—	5.3	—
•610	470	Bk. N.S.W. $A2	535	−5	tQ28c	—	3.0	—
325	208	Bank Scotland £1	208xd	−7	†8.87	4.0	6.6	5.9
£32¼	£23¼	Bankers N.Y. $10	£29⅞	−⅛	Q$3.00	—	5.6	—
350	225	Barclays £1	228	−4	†8.99	4.7	6.1	5.4
46	20	Bates (Edward)	20#	......	—	—	—	—
185	110	Brown Shipley £1	110	......	7.05	—	9.9	—
292	180	Cater Ryder £1	185	....	15.73	—	13.1	—
75	46	Clive Dis'nt 20p	47	−3	3.8	—	12.8	—
•305	•213	Com'l Aus. ($A1)	265xd	−5	Q14½%	—	3.5	—
£14	£10¾	Com'zbk DM10	£13⅞	...	tQ18%	—	2.9	—
£27	£19	C'hgn Hbk Kr100	£23	...	Q11%	—	4.5	—
11	5	Corinthian 10p	5	......	—	—	—	—
£31½	£15⅝	Cred. France F75	£18½	...	Q9.7%	—	4.3	—
83	68	Dawes (G. R.)	72	−3	5.77	♦	13.1	♦
23½	11	Dawnay Day	11	..	0.5	—	7.3	—
£108	£86	Deutsche Bank DM50	£104½	+1	Q20%	—	1.9	—
48	20	F. C. Finance	20	.....	1.5	2.0	11.5	6.8
3½	1¼	First Nat. 10p	1¼	......	—	—	—	—
½	¼	Do. Wrrts. 75-83	½	......	—	—	—	—
14½	7	Fraser Ans. 10p	7½	......	0.03	—	0.6	—
157	100	Gerrard Natnl.	100	......	b6.65	—	10.2	—
58	30	Gibbs (A.)	30xd	......	†1.79	—	9.2	—
228	145	Gillett Bros. £1	145	......	13.0	—	13.6	—
29	14	Goode D't Mry. 5p	15	+1	0.79	1.4	8.1	13.2
42	30	Grindlays	36	......	20.5	—	2.1	—
210	140	Guinness Peat	140	−5	8.27	—	9.1	—
224	128	Hambros	128	−7	7.75	—	9.7	—
131	61	Hill Samuel	63	−2	3.88	—	9.5	—
£16	400	Do. Warrants	400	.....	—	—	—	—
353	278	Hong Shng. $2.50	333	−7	tQ58c	—	2.0	—
82	58	Jessel Toynbee	58	−2	4.16	—	11.0	—
225	110	Joseph (Leo) £1	110	......	7.01	—	9.8	—
54	21	Keyser Ullmann	21	−3	0.1	—	0.7	—
62	35	King & Shax 20p	35	−3	h2.75	—	12.1	—
128	66	Kleinwort B.L.	68	−2	†3.46	—	7.8	—
266	176	Lloyds £1	178	−2	†7.4	4.4	6.4	5.5
40	27	Manson Fin. 20p	30	−1	3.25	1.1	16.7	8.6
147	80	Mercury Secs.	84	.....	3.03	—	5.6	—
320	228	Midland £1	228	−4	11.47	2.9	7.7	6.9
£84½	£62½	Do. 7½% 83-93	£62½	−2	Q7½%	15.0	f12.4	—
£82	£71	Do. 10¼% 93-98	£72½	−½	Q10¼%	15.0	e15.7	—
63	37	Minster Assets	37	−1	2.95	2.6	12.3	4.5
335	268	Nat. Bk. Aust. $A1	305	.....	tQ13¼%	—	3.2	—
87	55	Nat. Com. Grp.	55	−2	2.14	5.5	6.0	4.7
272	195	Nat. West. £1	195	−7	†10.26	4.2	8.1	5.2
405	260	Schroders £1	260	.....	9.31	—	5.5	—
295	200	Seccombe M.C. £1	200	.....	13.82	—	10.6	—
31	7½	Slater Walker	9	−½	Bk5.61	—	95.9	—
75	45	Smith St. Aub.	45	−3	4.08	—	13.9	—
494	300	Stand'd Chart £1	323	−4	15.75	3.1	7.5	5.2
57¼	5¼	Trade Dev. $1.50	57¼	...	Q44c	3.0	6.1	5.5
62	31	Tst. Bk. Afr. 50c	37xd	−2	Q14%	2.8	12.2	3.2
385	260	Union Disc £1	260	−15	17.16	—	10.2	—
30	13	U.D.T.	14	−1	B—	—	—	—
£20⅝	£11¼	Wells Fargo $5	£19¾	+⅛	Q$1.0	—	2.6	—
58	36	Wintrust 20p	37	....	2.98	♦	12.4	♦

Hire Purchase, etc.

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
18	8	Brit. Debt Ser. 10p	8#	......	—	—	—	—
28	17	Cattle's (Hldgs) 10p	17	−2	0.94	3.2	8.5	5.7
£92	£35	Cie B'cre Fr.100	£42	+2	tQ12%	—	3.1	—
95	47	Lloyds & Scot. 20p	47	−4	3.23	1.9	10.6	7.8
26	15	Lnd. Scot. Fin. 10p	16	...	1.7	1.9	16.3	4.9
85	54	Prov. Financial	54	....	†3.97	1.5	11.3	9.2
21	13	Strlg. Credit 10p	15	...	1.63	♦	17.9	♦
63	32	Wagon Finance	32	−3	3.0	2.2	14.4	4.7

INDUSTRIALS—Continued

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING, ADVERTISING

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPBUILDERS, REPAIRERS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS—Continued

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OILS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RUBBERS AND SISALS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEAS

India and Bangladesh

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sri Lanka

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Africa

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

CENTRAL RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EASTERN RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

FAR WEST RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIAMOND AND PLATINUM

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CENTRAL AFRICAN

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIAN

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TINS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPPER

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MISCELLANEOUS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations *other than sterling* are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- ◆ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- ‡ Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- †‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Unlisted security.
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ‡‡ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ‡ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ♦ *Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.*
- ♦ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ♦ Regional price.
- ♦ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assured dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free, up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

FINANCIAL TIMES
Thursday October 7 1976

Thai military coup follows riots

BY RICHARD NATIONS

BANGKOK, Oct. 6.

A LARGELY unknown group of military men calling itself the National Reform Council has seized power in Thailand, after bloody clashes between police and left-wing students in a Bangkok university left at least 35 people dead and dozens injured.

The group launched the coup, according to a Radio Thailand broadcast, to forestall "a Communist plot backed by the Vietnamese and to preserve the Thai monarchy."

The country's new rulers to-night suspended the constitution, banned political parties, and declared martial law. Ports, airports and telecommunications links with the rest of the world appear to be functioning normally.

The seizure of power brings to an end almost exactly three years of Thailand's experiments with democracy which began when the military regime of Field Marshal Thanom Kittikachorn was overthrown by student demonstrations at Thammsat University—the scene of to-day's violence.

Very little is known about the coup leaders. They appear to be headed by Admiral So Ngad Chaloryoo, the present commander-in-chief of the armed forces, who was only yesterday confirmed as the defence minister in the new cabinet of Mr. Seni Pramoj.

Observers' first reaction was as a Navy man—the Navy has traditionally been a weak force in Thai politics—the Admiral may not be the real power behind the coup.

The overthrow of the civilian government of Mr. Seni Pramoj after five months of confused coalition rule is bound to raise questions about the future of Thailand. But the feeling at this early stage is that, since they are military men and since they have accused Communist Vietnam of fomenting trouble, the coup leaders are unlikely to change Thailand's basically pro-Western stance in foreign policy.

Police assault

During the years of war in Vietnam and Cambodia, Thailand remained at a distance and quietly prospered as the major rice exporting country of the region. The Americans used Thailand as staging post having at one time 48,000 airmen and troops in the Kingdom. The last Americans withdrew in August.

The overthrow of the Thanom government in 1973 by students ushered in a period of experiments with democratic Government which resulted in fractious and indecisive coalitions. During this period the Thais established ties with China and made friendly overtures to the Communist regimes of Vietnam and Cambodia.

The coup first came to light in the wake of a police assault on Thammasat University in the centre of Bangkok. At least 35 people were killed and an estimated 100 were wounded.

Some students were lynched or beaten to death by Right-wing mobs, which numbered 20,000. They had tried to storm Thammasat University where an estimated 4,000 Left-wing students, protesting about the return of Thanom Kittikachorn from exile last month, had barricaded themselves in. Police stood and watched as Right-wing groups set upon Left-wing students.

Several students were lynched with wire on trees in the large square in front of the campus and their bodies beaten and spat upon. Others were beaten to a pulp while police stood by. Their bodies were then hit with sticks, their eyes gouged out and their throats were cut.

One witness said students who had been beaten unconscious had petrol poured over them and were set alight. Tyres ripped off cars were used to feed the flames.

Shortly after police broke into the campus, I saw Right-wing mobs pour into the university buildings, looting and pillaging. I watched as Left-wing students were pulled out of the buildings stripped to their trousers, and made to crawl between two rows of police who beat them with their rifles and shouted abuse.

Buddhist amulets were stripped from the students' necks. This was because "Communists are atheists," one policeman said.

I also saw students' watches and money taken. The wounded were left for three hours before doctors were allowed to attend to them.

The reason given for the coup was that a group of people, including students, had insulted the monarchy with the intention of destroying it as part of a Communist plot to take over the country.

Insult

The police assault on the university was sparked by an alleged insult to a member of the royal family during a political skit at a rally yesterday. Two students were garrotted in a mock display in protest against the death of two labour union activists who, the director of police admitted, had been lynched by his own men.

It was student disaffection with the corrupt and inefficient ten-year rule of Thanom and his deputy, Field Marshal Praprass Charusathein, which led to their overthrow and exile. On the previous occasion when Thanom tried to return to Thailand last year and when Mr. Praprass attempted to return in August student riots broke out.

Feature, Page 5

Importers take record 43.5% of car market

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE DAMAGING effects of the continuing production and industrial relations problems in the British car industry were underlined last month when importers captured a record market share of 43.5 per cent.

This means that imports have now pushed up to a cumulative share of 36.8 per cent. for the year so far, a rise of precisely 3 per cent. on the same period in 1975.

The figures last month are particularly worrying to the British manufacturers because they show that sales of imports have grown in volume terms—they are up from 32,000 last year to 38,000—despite a severe fall in overall registrations.

In other words, importers have been able to sell, against the trend of the industry.

It is not clear whether the fall in September sales, which saw the market drop by 24 per cent. on last September to 87,563 units, is the first indication of a slow-down in the market.

Full force

Registrations were lower than for any of the last three years, but the September figures in 1975 were distorted by British Leyland's Superdeal campaign which pulled sales forward.

The hope is that sales are still continuing on a long-term recovery pattern, and that September represents an abberation caused by Ford's weakness in the midst of a large-scale production reorganisation at Dagenham, and by Leyland's shortages following its recent outbreak of disputes and the car delivery workers' strike.

SEPTEMBER REGISTRATIONS

	Units	%
Br. Leyland	25,563	29.2
Ford	15,308	17.5
Vauxhall	7,972	9.1
Chrysler	5,857	6.7
Datsun	5,985	6.8
Fiat	4,928	5.6
VW/Audi	4,370	5.0
Others	17,580	20.1
Total	87,563	100.00

All the same, it is unlikely that the British manufacturers will be able to hit back at the importers with full force this month, since Ford has been hit by strikes on its new Cortina lines and BL is still short of stocks of some vehicles.

The real fight back from the British industry should begin later this year and early next, when Chrysler gets its reorganised production lines fully geared up, and Ford brings its new Fiesta on stream.

Following Ford's slump over the last two months, Leyland has managed to regain clear market leadership for the year as a whole, and last month gained 29.2 per cent. of the market with 25,563 sales.

Ford sold only 15,308 cars (17.5 per cent.), of which 1,653 were imports from Germany, while Vauxhall had sales of 7,972 (9.1 per cent.), including 2,286 Belgian Cavaliers. Chrysler's 5,857 sales (6.7 per cent.) included 1,755 from Europe.

The leading importer was Datsun with sales of 5,985, representing a market share of 6.8 per cent. — slightly higher than Chrysler's.

Renault's new saloon, Page 6
. . . record results, Page 26

Rhodesia talks may be held in Geneva

By Bridget Bloom, Africa Correspondent

THE BRITISH Government is expected to announce in the next few days that the conference to establish an interim African majority government in Rhodesia will be held in Geneva, probably in the third or fourth week of this month.

Final decisions on the conference venue, its timing and its full participants, will be taken only after the return of Mr. Anthony Crosland, the Foreign Secretary, and the conference chairman, Mr. Ivor Richard, from the United Nations on Friday. But it is believed that both the white Rhodesian Government and the African Nationalists have agreed that the conference should be held in Geneva.

Although this contradicts Mr. Crosland's original statement ten days ago, that the conference would be in southern Africa, it is thought that both sides consider Geneva suitably neutral. Communications there are considerably better than they would be for example, in Livingstone, Zambia or in Mauritius, both strongly tipped as the venue over the past week.

The announcement about the conference may not be made until early next week, partly because consultations are still under way among African Nationalist leaders.

In particular, Mr. Joshua Nkomo, leader of one of the major wings of the African National Council, is at present in Maputo, where he is holding discussions with Mr. Robert Mugabe, the strongest contender for the ANC's external leadership.

There may well also be further discussions between Mr. Nkomo and Bishop Muzorewa, whose tumultuous reception in Salisbury last Sunday showed clearly that he, too, is still a leadership contender.

'Managers will not get marginal tax relief'

BY ADRIAN HAMILTON

MANAGERS will not get major relief in marginal taxation in the near future, Mr. James Callaghan, Prime Minister, said yesterday. At a seminar organised by the American Chamber of Commerce during the day and again at a British Institute of Management dinner in the evening, he made plain that it would be impossible to give substantial benefits to the higher paid when the average worker was suffering a drop in living standards.

Indeed, in the evening speech, Mr. Callaghan argued that substantial amelioration of the differentials problems might have to wait until the end of the decade when fruits of the Government's industrial strategy should be apparent.

Nevertheless, Government Ministers at the chamber of commerce meeting emphasised deep concern with lack of incentives for managers and there was a hint that something might be done to move the emphasis of taxation from direct to indirect levies, at least so far as rises in taxes were concerned.

In a recent interview with Barron's, the U.S. business magazine, Mr. Denis Healey, Chancellor, said: "I definitely do think the present level of taxation serves as a disincentive and those rates must come down. We have the wrong balance in this country between our direct and indirect taxation. Once we've cut inflation, we can turn to more reliance on indirect taxes like VAT and customs and excise duties." However, that was before the latest sterling crisis.

At this stage, the Prime Minister's statement suggests that major changes in the direct tax regime are ruled out. Yet the remarks made during the day indicate some change in mood by Ministers away from their earlier dislike of indirect taxation as bearing more heavily on the poor and directly affecting retail prices.

The change could prove important if the Government is forced to raise additional revenue in order to cut its borrowing requirement and domestic credit expansion. In this case, it could well be value-added tax or increased excise taxes which would be the means of achieving this.

The concern for the differentials and incentive problems also could be expressed in the way that pay restraint is eased during the next stage.

Adjustments

At the British Institute of Management dinner, Mr. Callaghan asserted again the need to avoid a wages free-for-all when the pay policy expires next summer.

"We must try to work towards a system carrying the endorsement of everyone, whereby levels of pay are adjusted so that they pay proper regard to social and economic priorities," he declared. He predicted a long, hard road before the industrial strategy paid off in a high earning, high output economy.

The same theme was emphasised during the Chamber of Commerce session. Stressing that the Government would not be moved from its broad industrial policy by short-term considerations, whether in the money market or elsewhere, he said that this time the Government would not be tempted to use fiscal measures to fuel an easy consumer boom.

Tentative Ford deal with Auto Workers

BY JAY PALMER

NEW YORK, Oct. 6.

THE AMERICAN United Auto Workers Union and the Ford Motor Company have reached a preliminary and tentative agreement over a new three-year labour contract which, if approved by both the union's council and rank and file workers, will shortly end the three-week strike at America's second largest car manufacturer.

Both sides refused to discuss the terms of this proposed settlement which is likely to serve as the foundation for the union's forthcomnig contract talks with the other major U.S. motor companies.

However, it is generally believed that the union succeeded in winning some major concessions from Ford. The pact is reported to include a substantial wage increase for both ordinary and skilled workers, more paid time off the job, increased company payments into a special worker lay-off plan and a once-off special cash payment to retired workers.

Fringe benefits

Ford executives this morning refused to discuss rumours that the preliminary settlement terms will add significantly to labour costs. One union source has strongly hinted that the pact carries a value of as much as $3.75 an hour in terms of increased wages, fringe benefits and other provisions. Current Ford labour costs are estimated at $11 an hour.

The agreement is understood to provide for workers getting an extra 13 paid days holiday over the next three years. This would represent a major victory for the union (which has a tradition of winning concessions that others unions later emulate). Its push for a four-day work week with five days pay would in the short term force Ford to hire more unemployed union members.

Ford is also understood to have agreed to make a special cash payment of $600 to every one of the car company's 38,000 retired workers to help offset the impact of rising prices on pensions. At the same time, the company will increase its contributions to a special union fund that makes payments to laid off workers and offer all existing workers a free vision care plan that pays the increasing cost of eye examinations and glasses.

Ford's 165,000 union workers went on strike on September 15, closing down the company's 62 U.S. plants and halting production of 1977 model cars. Although the union's contracts with the other car makers expired at that same time work continued normally at all but the designated "target" plants, in conformity with the usual practice of United Auto Workers.

Despite this preliminary agreement, the Ford strike will not end immediately. Even Assuming that the union's 26-man international executive Board approves the terms of the pact at its special meeting to-night, the deal must still be ratified by a majority vote of plant level workers and this is expected to take at least a week.

Continued from Page 1

Tory bid

with the TUC that the real deal must be done.

This view was brought out quite firmly yesterday by Mr. Peter Walker, the former Tory Cabinet Minister.

Mr. Walker spoke of a "Conservative Compact" when he addressed a lunch-time meeting of the Tory Reform Group. Like Mr. Prior he talked about a "contrived myth" that the Tories could not get on with the unions.

"There is no reason why we should not put our Conservative Compact on the table in front of the trade unions and ask them to compare it objectively with the social contract," Mr. Walker said.

He maintained that in three years of Labour Government, public sector wages and salaries had increased by a "breath-taking" £12bn. That meant that by the end of the year every family of four in Britain would need to find £36 a week to pay the public wage bill.

The strategy for getting the TUC to swallow a huge cut in public spending appears to be to convince union members at large that this is the only way out of the crisis—points made yesterday by Mr. Edward Heath and Sir Keith Joseph. TUC leaders would, it is argued, come to accept the necessity of expenditure cuts or be isolated from their members if they refused.

A Conservative government would pay the cost of postal ballots for unions which wanted them and would encourage employers, possibly by legislation, to allow branches to meet in company time when voting to elect officials.

Defence contracting companies seek accounting change

BY MICHAEL LAFFERTY

MAJOR defence contracting companies have launched a campaign for special accounting treatment under the new inflation accounting system. They seek a more favourable basis of calculating costs of long-term contracts which could lead to higher prices being negotiated with the Government. Britain spent £1.5bn. on non-competitive contracts in 1973/74, mainly for the purchase of defence equipment.

The contracting companies' views are being promoted by the Joint Review Board Advisory Committee, a body representing the Confederation of British Industry and five trade associations with particular interest in Government contracts. One of these is the influential Society of British Aerospace Companies which includes among its members Hawker Siddeley, Plessey, Rolls-Royce, Lucas, EMI, Ferranti and Vickers.

The review board objects to the accounting treatment of long-term contracts proposed in the inflation accounting standard drafted by Mr. Douglas Morpeth's Inflation Accounting Steering Group. The group was set up by accounting bodies and the Government to implement the Sandilands Report on current cost accounting.

The Morpeth group believes that unpaid work-in-progress under long-term contracts should be classified as a monetary item, which would not involve change from the present accounting system. But the contracting companies say that their work-in-progress is really no different from that of other industrial companies whose costs will be increased, and consequently operating profits reduced, with the implementation of current cost accounting.

Sandilands system delay likely

IT NOW SEEMS likely that there will be a 12-months delay in implementation of the Sandilands inflation accounting system for quoted and other large companies, as well as the nationalised industries. This would mean that these companies would not have to publish the new inflation-adjusted accounts until 1979.

It is probable that companies with more than 50 per cent. of their assets overseas will be allowed until 1980 to change over to the new system.

A draft accounting standard, based on the Sandilands Report, is now being considered by the Accounting Standards Committee, which is due to publish its proposals on November 30.

THE LEX COLUMN

P & O regains its poise

P & O's shares have been regaining status in the market since the spring, and its interim statement confirms that the declining trend in profits has been reversed. For the half year to June, the group has produced £12.8m. before tax and profits on ship sales, which compares with around £24m. (excluding provisions on development properties) in the previous 15-month period.

Bovis is still doing badly, with losses in South East Asia and Canada reflected in a credit on minorities. But the programme of property sales is going according to plan with no further provisions required, and big losses on the passenger lines and ferry services have—as promised—been eliminated. At the same time, the balance sheet pressures are being contained.

Capital spending this year will slide down to £50m. or less, which should be roughly in line with net cash flow. Loan repayments will be substantial, but after a string of disposals—like Bain Dawes and Hall-Thermotank—overall borrowings should be more or less unchanged despite the impact of currency changes.

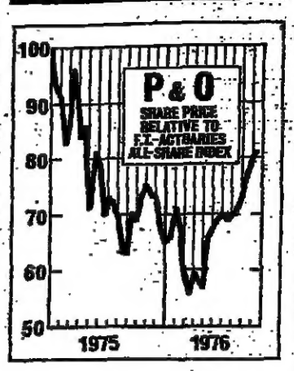
For the current year, pre-tax profits could get within sight of £30m., including £1m. or so from ship sales. The crucial point is that bulk shipping will still only be making a relatively small contribution. In 1974, this division made £23.9m. before interest: in the first half of 1976 it produced £3.5m. and P & O says that it is not actively seeking new contracts at present since it expects to get better rates during 1977.

The speculative possibilities can be shown by the fact that although the general cargo division currently provides over half the group's profits, total capital employed has almost doubled to over £850m. since the new management took over four years ago, and nearly all the money has gone into less traditional areas. The trading outlook for 1977 is going to be an open question for some time to come, and so are the prospects for the promising North Sea oil find. Meanwhile brokers are free to come up with enthusiastic forecasts, and the shares may continue to perform relatively well: prospective yield is 9 per cent. at 101½p.

Thomson Organisation

Earlier this year, Thomson Organisation was saying that prospects for 1976 "look reasonable, if not exciting." So a 90 per cent. jump in interim profits to £5.3m. beat most expectations, and profits for the full year now look unlikely to fall far short of the 1973 peak of £13.8m.—against last year's £9.9m.

Index fell 8.7 to 310.6



The travel, side, which contributed half last year's profits, continues to be the mainstay of earnings. Against a 7-8 per cent. fall in number of holidays sold for the industry as a whole, Thomson's figures were down by less than 2 per cent. and, contrary to earlier expectations, it has been able to maintain load factors well in excess of 90 per cent. The other bright spot has been yellow pages which is now the third largest advertising medium after newspapers and TV. The problems with the Post Office have been sorted out and with the full range of directories appearing, in 1976 this sector is at last fulfilling its promise.

On the newspaper side, The Times continues to lose money, though the losses are still born by the Thomson family interests. The other papers in the Times stable are also losing money but at a slightly lower level than last year's £1.6m. The regional papers, which contributed well over half the profits back in 1974 are improving from last year's depressed levels. Advertising revenue is slightly ahead and there have been some price increases.

However, this improved earnings picture has little relevance for the share which at 270p are on an historic p/e of 44. Thomson's expected bonanza from North Sea oil is uppermost in investor's minds, and here the prospects look good. The Piper field comes on stream in December and Claymore six months later. The capital spending in Thomson's loan [illegible] $290m. look ample, [illegible] maining commitments [illegible] ing nothing for any [illegible] prices in 1977 and [illegible] fall in sterling. Wood [illegible] are projecting avera[illegible] per share of 19[illegible] against 10.4p this [illegible] nearly three-quarters [illegible] from the North Sea.

Given its heavy [illegible] Thomson is unlikely [illegible] its option to take [illegible] Sea rights until [illegible] debts are repaid—[illegible]ister 1978. Once it [illegible] may still have to w[illegible] to pass on the North [illegible] to shareholders.

JFB

Following some [illegible] stocks conversions [illegible] profits of £2.2m. [illegible] tax from Johnson [illegible] Brown translates [illegible] nearly halved [illegible] share. And the f[illegible] the ye rato June [illegible] maiden te nmonth [illegible] Greening acquisi[illegible] about £¾m. But a pe[illegible] has cost £0.7m. [illegible] losses in some [illegible] closure costs of are [illegible] can be added in [illegible] if the demand sta[illegible] (and JFB is ho[illegible] some improvement [illegible] the current 12 mo[illegible] manager a useful [illegible]

The Firth [illegible] re-rolling plant, wh[illegible] will move out of [illegible] closure costs at th[illegible] steelworks and [illegible] Fencing of more th[illegible] not repair. Green[illegible] moving well — a [illegible] final two months [illegible] £¼m.—and the rest [illegible] and wire operation[illegible] placed. On the st[illegible] stamping and fou[illegible] between them mad[illegible] tax last year) shou[illegible] own in 1976-77, w[illegible] division, special [illegible] beginning to expe[illegible] better activity level [illegible] drop of more than [illegible] sales volume last [illegible] reduced mill running [illegible] cent. of capacity.

If all goes we[illegible] could just possibly a[illegible] around 6p a share [illegible] against 4.6p last [illegible] present, the yield [illegible] cent. at 42p is [illegible] covered, but JFB [illegible] sheet is now lookin[illegible] healthy.

Weather

U.K. TO-DAY

SHOWERS with sunny intervals.

London, S.E. England
Rain followed by occasional showers. Wind S.W., moderate or fresh. Max. 16C (61F).

E. Anglia, Cent. S., E. and Cent. N. England, E. and W. Midlands
Occasional showers. Wind S.W., moderate or fresh. Max. 16C (61F).

Channel Is., S.W. England, Wales
Showers, heavy at times. Wind S.W., fresh or strong. Max. 15C (59F).

N. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Cent. Highlands
Showers. Winds S.W., strong to gale. Max. 14C (57F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth
Occasional showers. Wind S.W., fresh or strong. Max. 13C (55F).

N. Scotland, Argyll, N. Ireland
Squally showers. Wind S.W., gale. Max. 12C (54F).

Orkney, Shetland
Squally showers. Wind S.W., gale. Max. 9C (48F).

Outlook: Showers.

Lighting-up: London 18.55, Manchester 10.03, Glasgow 19.08, Belfast 19.16.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	C	17	63	Luxembrg.	Fg	12	54
Athens	S	23	73	Madrid	S	20	68
Barcelona	S	23	73	Manchstr.	F	16	61
Belfast	R	12	54	Mexico C.	C	17	63
Belgrade	C	17	63	Milan	S	20	68
Berlin	C	15	59	Moscow	R	9	48
Birmghm.	F	17	63	Munich	C	16	61
Bristol	F	16	61	Newcastle	S	16	61
Brussels	C	19	66	Oslo	C	11	52
Cardiff	F	17	63	Paris	C	19	66
Cologne	C	16	61	Prague	C	15	59
Copnhagn.	C	12	54	Reykjavik	S	8	46
Dublin	F	14	57	Rome	S	23	73
Edinburgh	C	15	59	Stockholm	C	9	48
Geneva	F	15	59	Strasbourg	C	17	63
Glasgow	C	12	54	Tel Aviv	S	28	82
Helsinki	C	7	45	Vienna	S	17	63
Lisbon	S	20	68	Warsaw	C	14	57
London	C	16	61	Zurich	C	13	55

HOLIDAY RESORTS

Ajaccio	S	21	70	Jersey	R	15	59
Algiers	S	26	79	Locarno	F	16	61
Biarritz	S	26	79	Majorca	S	24	75
Blackpool	S	15	59	Malaga	S	24	75
Bordeaux	S	24	75	Malta	S	24	75
Boulogne	R	17	63	Naples	S	22	72
Casablnca.	S	25	77	Nassau	S	30	86
Corfu	C	20	68	Nice	S	23	73
Dubrovnik	F	21	70	Nicosia	S	28	82
Faro	S	24	75	Oporto	C	20	68
Florence	S	24	75	Rhodes	F	27	81
Gibraltar	S	21	70	Salzburg	C	18	64
Guernsey	R	15	59	Tangier	F	26	79
Innsbruck	F	15	59	Tenerife	S	25	77
I. of Man	S	15	59	Valencia	S	26	79
Istanbul	F	24	75	Venice	S	21	70

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog.

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